

1225. By Mr. FORD: Resolution of the Council of the City of Los Angeles, relative to the administration of Federal unemployment relief through a back-to-the-land program; to the Committee on Ways and Means.

1226. By Mr. KELLER: Petition of the House of Representatives of the State of Illinois, asking that the Congress of the United States include in the independent offices appropriation bill such measures and appropriations as will permit the continuation of contracts to take care of mentally disabled veterans; to the Committee on World War Veterans' Legislation.

1227. Also, petition of the Senate of the Fifty-eighth General Assembly of the State of Illinois, the House of Representatives concurring, requesting the Senate of the United States to disapprove and refuse to ratify the proposed treaty between the United States and Canada relating to the St. Lawrence waterway, which is now before the Senate for ratification; to the Committee on Foreign Affairs.

1228. Also, petition of the House of Representatives of the State of Illinois, requesting the Congress of the United States to create a Federal agency to take over all assets and liabilities of closed banks and pay all depositors in said closed banks, 100 cents on the dollar; to the Committee on Banking and Currency.

1229. By Mr. KRAMER: Petition of Merritt H. Adamson, 714 West Tenth Street, Los Angeles, Calif., Adohr Creamery & Stock Farms operating fleet 300 motor vehicles and employing 700 men, protesting against imposition added gasoline tax and income tax. If proposed added gasoline tax becomes effective total gasoline tax will represent 43 percent of our fuel cost. Suggest we unable increase pay roll if our business costs continue increase. We protest these two types legislation and ask you support general manufacturers' sales tax; to the Committee on Ways and Means.

1230. By Mr. LAMBERTSON: Resolution signed by the secretary-treasurer of the Shawnee County Pomona Grange, Topeka, Kans., protesting against the project of the erection of a huge dam on the Kansas River, west of Topeka; to the Committee on Rivers and Harbors.

1231. By Mr. LEHR: Petition of voters of Lenawee County, Mich., asking immediate repeal of the Economy Act because of the untold suffering caused among the World War veterans and their dependents; to the Committee on Expenditures in the Executive Departments.

1232. By Mr. LINDSAY: Petition of American Society for the Protection of the Motion Picture Theatre, New York City, urging exemption of industries not in the general commodity class, or other forms of intelligence, including newspapers, radio, or motion pictures, from the provisions of the industry control bill; to the Committee on Ways and Means.

1233. By Mr. McFADDEN: Petition of Senate and House of Representatives, Commonwealth of Pennsylvania, to Congress of the United States, to authorize immediate improvement of the Beaver and Mahoning Rivers, both for unemployment relief and continuation of industries in Pennsylvania; to the Committee on Rivers and Harbors.

1234. Also, petition of House of Representatives, Commonwealth of Pennsylvania, House Resolution 86, urging the Navy Department to select the port of Philadelphia for the construction of the major part of its new program; to the Committee on Naval Affairs.

1235. By Mr. RUDD: Petition of American Manufacturers' Export Association, New York City, to invest the President of the United States with full authority to negotiate and conclude such tariff arrangements between the United States and other individual nations; to the Committee on Ways and Means.

1236. By Mr. SMITH of West Virginia: Resolution of the board of directors of the First Huntington National Bank, Huntington, W.Va., protesting against certain features of the Glass-Steagall banking bill; to the Committee on Banking and Currency.

1237. By Mr. SWICK: Petition of Frank J. Twohey, commander; Lewis L. Beatty, adjutant; Mazie Beatty, vice president; Eleanor Mechling, secretary; and Edgar H. Negley,

Evelyn Shoemaker, Esther Freeman, Lewis L. Beatty, and George Bwon, members of a committee from Butler Camp, No. 33, and auxiliary, United Spanish War Veterans, Department of Pennsylvania, Butler, Pa., protesting against the radical, unjust, and unwarranted discontinuing of pensions and allowances to veterans of all wars, their widows and dependents, by the Veterans' Administration, and urging the repeal of the Economy Act; to the Committee on Ways and Means.

1238. By Mr. TREADWAY: Petition of the City Council of Worcester, Mass., urging the issuance of a special 3-cent stamp in commemoration of the one hundred and fiftieth anniversary of the naturalization and appointment to the Army of General Kosciusko; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, MAY 30, 1933

(Legislative day of Monday, May 29, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	King	Robinson, Ind.
Ashurst	Cutting	La Follette	Russell
Austin	Dickinson	Lewis	Schall
Bachman	Dill	Logan	Sheppard
Bankhead	Duffy	Loneragan	Shipstead
Barkley	Erickson	Long	Steiwer
Black	Fess	McAdoo	Stephens
Bone	Fletcher	McCarran	Thomas, Okla.
Borah	Frazier	McGill	Thomas, Utah
Bratton	George	McKellar	Thompson
Brown	Glass	McNary	Townsend
Bulkley	Goldsborough	Metcalf	Trammell
Bulow	Gore	Murphy	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatfield	Overton	Walcott
Carey	Hayden	Patterson	Walsh
Clark	Hebert	Pittman	Wheeler
Connally	Johnson	Pope	White
Coolidge	Kean	Reed	
Copeland	Kendrick	Reynolds	
Costigan	Keyes	Robinson, Ark.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Illinois [Mr. DIETERICH] is necessarily detained from the Senate.

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate on official business: The Senator from North Carolina [Mr. BAILEY] and the Senator from South Carolina [Mr. SMITH].

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME, ITALY
(S.DOC. NO. 65)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was read, referred to the Committee on Foreign Relations, and ordered to be printed, as follows:

THE WHITE HOUSE,
Washington, May 24, 1933.

MY DEAR MR. PRESIDENT: I earnestly recommend the immediate passage of Senate Joint Resolution 32.

It is my understanding that this legislation has been favorably reported out by the Senate Committee on Foreign Relations but that it has not as yet been considered by the Senate. A motion to strike out the enacting clause of a similar bill was carried last Saturday by a small majority in the House. It is obvious from the published debates as they appeared in the CONGRESSIONAL RECORD that the opponents of this legislation entirely misunderstood the purposes of the resolution. The International Institute of Agriculture is not an Italian organization but an international organization founded in pursuance of a convention to which this Government is a party. The purpose of this legislation is not to provide a gratuity for any foreign government nor to provide for a junket for any American citizen. Its purpose is to authorize the appropriations necessary to enable this Government to contribute to the support of the Institute on the

same basis as other member governments and to enable this Government to share effectively in the direction of the affairs of the Institute. There is no authorization in this bill for any appropriations for purposes other than those which I have specified.

Defeat of this legislation would place this Government in an exceedingly embarrassing position. We should be faced with the alternative of (1) continuing to pay our contribution to the institute in paper francs when the other governments' members of the institute were paying in gold francs and taking no part in the direction of the institute; or (2), denouncing the convention of 1905 and withdrawing from the institute.

Either of these courses of action would result in placing the institute in a precarious financial situation which would result in seriously crippling the organization. Thus this Government would be obliged to expend a far greater sum in order to obtain the services now rendered by the institute. Neither of these courses of action would be in accordance with the fair dealing and good faith which should characterize all of the foreign relations of this Government.

The International Institute of Agriculture is rendering an important service to American agriculture.

1. As a clearinghouse of statistical information, collecting and publishing statistics from all parts of the world, it is giving all the member governments the benefit of the information collected by the government services of all the members of the institute.

2. As an international organization, it is in a position to persuade the various governments to build up their statistical services in the common interest.

3. As an international forum, it serves as a meeting place for discussion of the broader phases of the agricultural situation of interest to farmers everywhere.

It is only just that we should pay our fair share of the expenses of this organization. With renewed American support and with American participation in the direction of its affairs, we look forward to deriving increased benefits from our membership in the institute.

I am sending similar letters to Senator PITTMAN and Senator ROBINSON of Arkansas.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. JOHN NANCE GARNER,
President of the Senate, Washington, D.C.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of New Jersey, which was referred to the Committee on Commerce:

Senate Joint Resolution 20 (by Mr. Powell)

Joint resolution memorializing the President and Congress of the United States to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River at a point near the head of navigation, and providing for the appointment of a committee to further this project

Whereas an inland-waterways system has been provided along the entire Atlantic coast with the exception of the short distance through the State of New Jersey, for which project the State of New Jersey has heretofore appropriated considerable money for the acquisition of the right of way, and has from year to year reappropriated said moneys, and the State of New Jersey has been and still is ready and willing to furnish the right of way for such canal in accordance with the representations heretofore made to the Federal Government; and

Whereas in the interests of commerce and the national defense such ship canal is a necessary and worthy improvement and one such as is contemplated to be completed under the comprehensive program of the President of the United States; and

Whereas, pursuant to the direction of the last Congress, the United States Corps of Army Engineers is now ready to proceed with 74 percent of the work on such canal and will be ready to proceed with the balance of said work by July 1, which said Engineer Corps has unlimited experience in large-scale work of this nature and can start work immediately upon this project; and

Whereas the construction of such canal would provide employment for a very large number of men near the greatest center of unemployment in this country, a large portion of the work being of such nature that it can be done by hand labor; and

Whereas the immediate construction of such canal would in large measure contribute to the early return of prosperity: Therefore be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the President and Congress of the United States are hereby memorialized and requested to provide a sufficient sum of money to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation, upon a right of way to be furnished by this State.

2. That a copy of this resolution be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Member of the Senate and House of Representatives of the United States from the State of New Jersey.

3. That a committee of 3, 1 to be appointed by the governor, 1 to be appointed by the President of the Senate, and 1 to be appointed by the Speaker of the House, be constituted to further this project and to personally present the same to the President of the United States, the Members of the Senate and House of

Representatives for the United States from the State of New Jersey, and to take such other steps as to such committee shall seem proper.

4. This joint resolution shall take effect immediately.

Approved April 27, 1933.

The VICE PRESIDENT also laid before the Senate a resolution adopted by members and guests of the Pennsylvania Committee for Total Disarmament, assembled at the house of Mrs. Walter Cope, Germantown, Philadelphia, Pa., favoring the institution by Congress of a searching inquiry into the munitions business of the country, making public the net profits, the expenses for advertising and propaganda, the contributions to political parties and indebtedness to banks, together with a full list of stockholders, and so forth, which was referred to the Committee on Foreign Relations.

PROTEST RELATIVE TO CURTAILMENT OF VETERANS' BENEFITS

Mr. WHEELER presented resolutions adopted at a mass meeting at Polson, Mont., which were referred to the Committee on Finance and ordered to be printed in the Record, as follows:

At a mass meeting held in the county courthouse at Polson, Mont., May 23, 1933, representatives of between three and four hundred ex-service men in Lake County, representing the American Legion, Spanish War Veterans, Veterans of Foreign Wars, Regular Army, Navy, and Marine Corps, the following resolutions were unanimously adopted:

"That we protest the provisions of Public, No. 2, Seventy-third Congress, called the 'Economy Act', insofar as it affects veterans' pensions and compensation.

"The majority of veterans receiving these payments depend entirely on them for their living. To deprive them of these pensions at this time will place a terrible burden on the communities in which they live, and in this county alone will double the number of people who will have to receive county aid.

"We urge that Congress take immediate steps to repeal this inhuman and un-American act.

"To relieve the emergency that now exists we urge the payment of the soldiers' bonus."

N. A. PALMER, Chairman.

CARL J. SANSTETTE,

C. P. COURMAN,

E. M. NYBERG,

Committee.

THE WORLD COURT

Mr. REED presented a letter embodying resolutions adopted by the Sixty-second Convention of the Bethlehem Diocese of the Protestant Episcopal Church in the State of Pennsylvania, which was referred to the Committee on Foreign Relations, and ordered to be printed in the Record, as follows:

WILKES-BARRE, PA., May 11, 1933.

HON. DAVID REED,
Senate Chamber, Washington, D.C.

DEAR SENATOR REED: The Diocese of Bethlehem of the Protestant Episcopal Church, consisting of the Counties of Bradford, Susquehanna, Wayne, Wyoming, Lackawanna, Luzerne, Monroe, Pike, Carbon, Schuylkill, Lehigh, Northampton, Lebanon, and Berks, of the State of Pennsylvania, at its sixty-second convention, May 9 and 10, 1933, adopted the following resolution:

"Whereas the Senate, in 1926, by a vote of 76 to 17 approved the adherence of the United States to the World Court with five reservations; and

"Whereas these reservations are fully met, in the judgment of the Department of State, and of such authoritative bodies as the American Bar Association, by the three treaties now awaiting the Senate's consent to ratification; and

"Whereas both the Democratic and the Republican national platforms last year endorsed the completion of our entry into the Court under the pending treaties, thus making it clear that the Court is outside the realm of partisan political controversy; and

"Whereas the completion of our adherence to the World Court at this time would be calculated to encourage a feeling of stability both at home and abroad: Therefore be it

Resolved, That the Bethlehem Diocese of the Protestant Episcopal Church commends the support of the Court already shown by Senator REED and urges both Senator REED and Senator DAVIS to use their best efforts toward ensuring ratification of the World Court treaties before the close of the special session; and be it further

Resolved, That Senator REED is hereby requested to read this resolution into the CONGRESSIONAL RECORD."

By order of the convention.

HAROLD D. DEEMER,
Secretary.

REPORT OF THE FOREIGN RELATIONS COMMITTEE

Mr. ROBINSON of Arkansas, from the Committee on Foreign Relations, to which was referred the joint resolution

(H.J.Res. 93) to prohibit the exportation of arms or munitions of war from the United States under certain conditions, reported it with an amendment and submitted a report (No. 101) thereon.

BILL INTRODUCED

Mr. TRAMMELL introduced a bill (S. 1800) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

AMENDMENTS TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. BLACK submitted an amendment intended to be proposed by him to House bill 5389, the independent offices appropriation bill, which was ordered to lie on the table and to be printed, as follows:

Amend the bill by substituting for the figures "\$1,000,000", on page 49, line 7, the figures "\$2,000,000", and by striking out the period on line 8 and substituting a colon, and by adding thereafter the following: "Provided, That one half of \$2,000,000 so appropriated shall be used for supplying hospital treatment for veterans without regard to whether their disability was service-connected or not."

Mr. ROBINSON of Arkansas submitted an amendment intended to be proposed by him to House bill 5389, the independent offices appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 50, after line 25, to insert the following:

"INTERNATIONAL INSTITUTE OF AGRICULTURE"

"The sum of \$48,500, or so much thereof as may be necessary, is hereby appropriated for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under the direction of the Secretary of State in the following manner:

"(1) Not to exceed the equivalent in United States currency of 192,000 gold francs for the payment of the quota of the United States for the support of the institute, including the shares of the Territory of Hawaii, and of the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands.

"(2) Not to exceed \$5,000 for the salary of a United States member of the permanent committee of the International Institute of Agriculture.

"(3) Not to exceed \$5,500 for rent of living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818); compensation of subordinate employees without regard to the Classification Act of 1923, as amended; actual and necessary traveling expenses; and other contingent expenses incident to the maintenance of an office at Rome, Italy, for a United States member of the permanent committee of the International Institute of Agriculture."

NOTICE OF MOTION TO SUSPEND THE RULES

Mr. DILL. Mr. President, I send to the desk notice of a motion to suspend the rule. It is presented in order that I may offer an amendment to the Economy Act relating to Spanish War veterans. I want it read and filed.

The Chief Clerk read the notice of motion, as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H.R. 5389), the independent offices appropriation bill, the following amendment, viz: At the proper place insert the following:

"Subsection (b) of section 1 of the act approved March 20, 1933, entitled 'An act to maintain the credit of the United States Government' is hereby amended to read as follows:

"(b) Any person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, or the World War, and who is permanently disabled as a result of injury or disease: *Provided*, That nothing contained in this title shall deny a pension to any such veteran past the age of 62 years entitled to a pension under existing law, but the President may not reduce the amount of the pension of any such person more than 25 percent below the rate of pay provided by law previous to the passage of this act."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 5690. An act to legalize the manufacture, sale, or possession of 3.2 percent beer in the State of Oklahoma when and if the same is legalized by a majority vote of the

people of Oklahoma or by an act of the Legislature of the State of Oklahoma; and

H.J.Res. 192. Joint resolution to assure uniform value to the coins and currencies of the United States.

The message also announced that the House had passed the joint resolution (S.J.Res. 48) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Posheng Yen, a citizen of China, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 5012) to amend existing law in order to obviate the payment of 1 year's sea pay to surplus graduates of the Naval Academy; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. BRITTEN were appointed managers on the part of the House at the conference.

INSTRUCTION OF POSHENG YEN, A CITIZEN OF CHINA, AT WEST POINT

The PRESIDING OFFICER (Mr. DICKINSON in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J.Res. 48) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Posheng Yen, a citizen of China, which were, on page 1, line 5, after the word "Point", to insert "for the course beginning not later than July 1, 1934", and on page 2, line 8, after the word "suspended", to insert a colon and the following additional proviso: "Provided further, That Senate Joint Resolution 179, approved March 3, 1933, be, and the same is hereby, repealed."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

INCOME-TAX ASSESSMENTS, PAYMENTS, AND REFUNDS

Mr. REED. Mr. President, yesterday the Senator from Tennessee [Mr. McKELLAR] offered a resolution calling for an investigation of tax returns of a number of companies in which former Secretary Mellon was interested. I think it would be interesting to the Congress and to the country to bear in mind that Mr. Mellon for many years has been urging such an amendment of the income tax law as would make impossible the deduction of capital losses from taxable income; and I send to the desk, and ask to have referred to the Committee on Finance and printed in the CONGRESSIONAL RECORD, an editorial from the New York Evening Sun of last Saturday, entitled "Mr. Mellon's Warning."

The PRESIDING OFFICER (Mr. MCGILL in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD and referred to the Committee on Finance, as follows:

[From the New York Evening Sun, May 27, 1933]

MR. MELLON'S WARNING

Ten years ago Andrew W. Mellon, then Secretary of the Treasury, sent to the Ways and Means Committee a number of recommendations for Federal tax reform. Some were adopted; one that was rejected was Mr. Mellon's proposal to limit capital losses to 12½ percent of the loss. That would have put capital losses on all fours with capital gains in income-tax returns. The Secretary's belief was that neither gain nor loss of this kind should be considered. This he advocated in his book "Taxation: The People's Business", published in 1924, in which he said:

"I believe that it would be sounder taxation policy generally not to recognize either capital gain or capital loss for purposes of income tax. This is the policy adopted in practically all other countries having income-tax laws, but it has not been the policy in the United States. In all probability more revenue has been lost to the Government by permitting the deduction of capital losses than has been realized by including capital gains as income."

If the Government had not been a loser on that score up to 1924, the time was not far ahead when it would be, as the evidence in the Morgan investigation has so clearly shown. It is no surprise to the demagogues that the Morgan partners paid taxes of \$11,000,000 on their incomes of 1929, but Senator ROBINSON of Indiana calls it "a definite shock to the Nation" that the partners paid no income taxes for 1931. Yet the law was there, known to all who would look at it, and the warning of Secretary Mellon

and other sound economists should not have been neglected. The fact that J. P. Morgan paid income taxes in England in a year when he had to pay none here simply carries us back to Mr. Mellon's reminder that this country was alone in its policy of recognizing capital gains and capital losses in the computation of income taxes.

VOCATIONAL EDUCATION AND PROBLEMS OF RECONSTRUCTION

Mr. LA FOLLETTE. Mr. President, on May 4 and 5 there was held in Washington a Citizens' Conference on Vocational Education and the Problems of Reconstruction. In view of the increased importance of vocational education in this time of depression, I ask unanimous consent to have printed in the RECORD the report of the committee on program and plan of that conference.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The extraordinary economic conditions existing throughout the country have created new demands upon every agency of social welfare. Millions of people are out of work. Millions more have only part-time employment. These conditions have resulted in wide-spread poverty. The public is called upon to feed nearly one fifth of the people of the country because they do not have access to the means of earning a livelihood. Low prices for agricultural products are forcing large numbers of farmers to an inadequate standard of living, and farm bankruptcies and evictions are wide-spread. The depleted resources of the home have reduced millions of families to an appallingly low level of existence. These conditions of destitution and want faced by large numbers of the people must be met with understanding and constructive planning. It is the duty of society to see that people are fed, clothed, and sheltered, but relief should be constructively planned. Every available agency that may help to that end should be used.

The most deplorable result upon the individual of enforced unemployment or of eviction from his property is his loss of self-confidence. Poverty resulting in destitution deprives a man of spirit and self-respect. Men and women who experience the feeling of being unwanted by society and useless to themselves and their families become a serious social problem.

The times demand emergency relief measures, but they also demand measures looking toward reconstruction that will minimize the effects of relief and lessen the future necessity for relief. Such measures are more likely to succeed if they are accompanied by other measures that will develop in people the desire and the ability to make themselves, as far as the intricacies of modern life permit, economically and socially self-sufficient citizens.

Opportunities to make these measures effective should be conveyed through an agency immediately and universally available to the lowliest unemployed of our cities and the most remote of our distressed rural people. Such an agency is our educational system, and particularly the Nation-wide system of vocational schools and extension work. Increasing emergency demands for service are being made upon this agency. Relief workers are finding the Nation-wide vocational-training organization most helpful in carrying out many of the constructive parts of their program.

From all over the country come reports of the coordination of vocational education and extension work with emergency activities such as:

1. The training of home makers to maintain decent standards of living and family morale on reduced family incomes and with increased family dependents.
2. Training skilled wage earners to meet new employment demands.
3. Training farmers to raise more of the products their families need for food; to repair farm and household equipment; and to adapt their business to changed production and marketing conditions.
4. Reviving the old home crafts to supplement the reduced income and to make the city and rural homes more attractive and self-sufficient.
5. Retraining of unemployed workers in related newly developing occupations.
6. Creating a program of home-making education, flexible enough to serve the present emergency as well as the future needs of all types of homes, as a social responsibility.
7. Training of the wandering and the idle and unadjusted youth to make profitable use of their enforced and otherwise wasted leisure.
8. Training the unemployed as well as the employed for helpful and constructive use of leisure and at the same time for the possible promotions and changes in occupation for which self-improvement always prepares. This is being accomplished through improvement in English; through the study of the literature by which the world has expressed itself; through musical training and activities such as chorus, orchestra, and band, and individual playing; and through training in the appreciation and creation of beauty in some of its many forms.
9. Training unemployed and partially employed workers in gardening and home improvement.
10. Temporarily, at least, adjusting to a more nearly balanced rural life the vast army returning from the cities to the farms and making provision for their better employability, whether or not they remain on the land.
11. Rehabilitating the vocationally as well as the physically handicapped to economic self-support.

12. Training to conserve the morale and health of the unemployed worker through avocational, vocational, cultural, and recreational opportunities, including wholesome sports, games, and physical exercise.

13. Dissemination of usable information regarding occupations and the requirements and opportunities for employment therein.

14. Cooperation with other existing agencies in the placement of the unemployed and dispossessed workers.

15. Emergency training of workers in new processes and devices. Many of the measures listed above were already a part of the vocational education system before the present emergency arose. These should be continued, together with other measures which demonstrate their value, as adjuncts of education in the period of readjustment and also in the years further ahead. Whatever of sound practice is developed in the present emergency should become a part of a permanent plan. Time will indicate what measures are permanently useful.

A LONG-TIME PROGRAM FOR VOCATIONAL EDUCATION

Consideration of what must constitute a long-time program of vocational education must give due weight to the following fundamental propositions, among others, which were always discernible, but are now being driven home by the bitter lessons since 1929, and which would seem to be more essential to the reconstruction immediately ahead and for the long-time program thereafter than they ever have been in the past:

1. By some means, doubtless voluntary, the initiative, perhaps varying from community to community, there must be brought about a general coordination of all forms of general and vocational education, extension, and correspondence services and training, libraries and agencies for the finding and dissemination of occupational knowledge, vocational information and advisement services, placement agencies, occupational and labor regulatory bureaus, juvenile protective agencies, correctional institutions, clinics, agencies for the relief of distress and all other similar services, on the one hand, with industrial, labor, business, agricultural, and home activities, on the other, to the end that our country may reap the maximum in self-sufficient, intelligently cooperative citizens of usefully diversified talents.

2. In view of the startling accelerating pace with which inventions, technological developments, mechanizations, business and human efficiencies, shifting styles and tastes, marketing demands and methods, revolutions in transportation and communication, international relationships, and other inexorable forces are wiping out old occupations and creating new ones; changing the processes, the implements, the points of view of all occupations; casting on the human economic scrap heap those who do not change with their changing vocations, as well as those disabled by accidents and occupational diseases; and supplanting the common laborers with technicians who build, control, and maintain machines and automatic processes, society through its educational system must increasingly make vocational and general training facilities available to the adolescent boys and girls, in school and out of school, and to the men and women, idle or working on the farm, in the home, the store, the office, or the factory, wherever, whenever, and in whatever form they may need it to rehabilitate and readjust themselves to these otherwise overwhelming changes.

The requirements upon the general and vocational educational systems to fulfill the propositions above may be summarized as follows:

1. The rapidly changing conditions and demands in the industrial, agricultural, and commercial fields, which are reflected in the home life of our people require coordinated adjustments of all agencies—public as well as personal and private—to assist in giving information and providing training which will adapt the individual to the continuing changes.
2. The public and social service of the vocational schools to be adequate and just should be based on a broad program of general education, especially in the social sciences, so that the individual may understand and enjoy life and build thereon broad and accurate vocational understanding and efficiency.
3. The full-time curriculum for general education should be broadened and enriched to appeal to the wide range of tastes and talents of young people in order to retain them under educational influences as long as possible.
4. The vocational system is incomplete which does not provide for continuation education which will enable the individual to enjoy opportunities for richer culture and greater satisfaction, for self-improvement and advancement in his calling, and for the acquisition of correct habits of living and right attitudes of citizenship.
5. The vocational programs should recognize that practical experience and training before employment will aid the individual to discover and develop his occupational interests and aptitudes.
6. Experiences and training of youth in general education should help to develop technic and skill in choosing an occupation, securing a job, winning promotion, and planning and realizing a career for which they are fitted.
7. Education should be developed to promote the prevention of disabling accidents and for the restoration, so far as possible vocationally, of the victims of accidents.
8. All of the services of vocational education should be available as a social service, through schools, and extension and library services in such measures as may be necessary, so as to enable the individual to prepare for work and for promotion and growth and to meet the changing problems of the farm, home, office, and shop.

SPECIAL PROBLEMS OF AGRICULTURE

We are in agreement with the great national farm, commercial, and industrial organizations of this country in recognizing that the return of a permanent national prosperity is largely dependent upon a return of a prosperous agriculture. We, therefore, recognize the special need for including in our vocational program for adolescent and adult farmers:

1. The utility of and necessity for agricultural organization, without which the agricultural industry of this country can never have a national viewpoint.
2. The teaching in practical fashion of our national problems in economics and government such as tariffs, taxation, marketing, transportation, international relationships, money problems, and the like, with which national farm organizations are constantly confronted. The fundamentals of these economic questions should be taught without promoting any particular plan.
3. The teaching of production problems from the standpoint of efficiency, dealing especially with production costs, quality products, and proper distribution in keeping with domestic and foreign demands.

CONCLUSION

In conclusion, the conference places itself on record as believing that a system of education carries out the spirit of the "new deal" only when it provides adequate vocational training service for the rank and file of our people, rural and urban, juvenile and adult, and employed and unemployed.

Ultimately society must pay in dollars and cents for an inadequate and incomplete education program. Economic security, social adjustments, and even the maintenance of the civic order depend upon satisfactory employment and the contentment which goes with it. "Defective things can be thrown on the scrap pile, but with ruined people we must live. Human beings will either be on the work roll, the pauper roll, or with the mob. We may choose, if we choose early."

NOTE.—The foregoing report of the committee on program and plan of the Citizens Conference on Vocational Education and Problems of Reconstruction was submitted to the conference at its business session, Friday afternoon, May 5, 1933, at Washington, D.C., and adopted by unanimous vote.

COMMITTEE

George P. Hambrecht, chairman, State director of vocational education, Madison, Wis.

L. H. Dennis, past State director of vocational education, Harrisburg, Pa.

Charles A. Prosser, director, William Hood Durwoody Industrial Institute, Minneapolis, Minn.

C. M. Miller, State director of vocational education, Topeka, Kans.

Margaret Edwards, State College for Women, Montevallo, Ala.

Lewis A. Wilson, assistant commissioner of education, Albany, N.Y.

Paul W. Chapman, State director of vocational education, Athens, Ga.

Thomas H. Quigley, professor of industrial education, Georgia School of Technology, Atlanta, Ga.

R. C. Hayden, county superintendent of schools, Manassas, Va.

John B. Colpoys, editor, Trade Unionist, Washington, D.C.

L. S. Hawkins, adjustment service, New York, N.Y., 17 East Forty-second Street.

Miss O. Lathom Hatcher, director Southern Women's Educational Alliance, Richmond, Va.

Courtenay Dinwiddie, secretary National Child Labor Committee, 419 Fourth Avenue, New York, N.Y.

Mrs. Betty Hawley, 500 Park Avenue, New York, N.Y., executive secretary, city employees.

Mrs. Frances D. North, representing Eastern Commercial Teachers Association, Western High School, Baltimore, Md.

John A. Lapp, secretary of conference, Lee House, Washington, D.C.

Robin Hood, secretary National Cooperative Council, 1731 I Street NW., Washington, D.C.

M. M. Walter, chief, rehabilitation service, Harrisburg, Pa.

Jessie Harris, University of Tennessee, Knoxville, Tenn. (home making).

J. C. Wright, director Federal Board for Vocational Education, Washington, D.C.

LABOR CONDITIONS IN KENTUCKY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the president of District 19, of the United Mine Workers of America, Tennessee, relating to labor conditions in Kentucky, together with the letter enclosed by him.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED MINE WORKERS OF AMERICA,

DISTRICT 19,

Jellico, Tenn., May 6, 1933.

HON. ALBEN BARKLEY,

Member United States Senate, Washington, D.C.

DEAR SENATOR: For your information I am enclosing a mimeographic copy of a communication I received from Harlan, Ky., under date of April 29, 1933, postmarked Harlan, Ky., 6 p.m.

It is my information that for some time past a system or condition of sending threatening and anonymous letters has existed in Harlan County, and I would most respectfully urge upon you the necessity of taking this matter up with the proper authorities, and see whether or not an investigation or an investigator be placed on the job in and around Harlan to stop such threatening and anonymous communications going through the mail.

It is my intention to give reply to this through our local labor papers, which will be distributed throughout southeastern Kentucky, of which I will furnish you a copy. I firmly believe the time has arrived when those responsible for such attacks made on a man's character in Harlan County should be stopped, and they should be advised, that Harlan County is still a part of the Commonwealth of Kentucky and the United States.

May I suggest, so as other sections of our country may have some knowledge of the situation as it really exists in Harlan County, that you have this communication read into the CONGRESSIONAL RECORD?

Trusting you will give this matter the attention it merits, I am
Very truly yours,

WM. TURNELAZER.

APRIL 29, 1933.

WILL TURNELAZER,

Jellico, Tenn.

SIR: A good friend from Bell County tells us that you have been holding meetings with the miners in Pineville again. This can mean only one thing—that you want to get some more good men killed and cost the county several thousand dollars. If you think you can get away with this once more, you have another guess coming. It will be a great deal cheaper to put you and Milt Harbin about 6 feet under the ground in a pine box. The laboring men don't want you, because they have no faith in you, and certainly no one else does, and if you don't believe that business is business, just try your luck up this way.

Log Mountain or Emanuel Hill would not be a bad place to meet you, and it won't be difficult to arrange the meeting. It's a pity that you cannot be handcuffed to Hightower and Jones. You are as guilty as they, and you know it. Advertise your next Pineville meeting, and we won't be far away and will meet you for a little party afterward.

Yours for a one-way ride.

THREE OF US.

THE INTERPARLIAMENTARY UNION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a sketch of the Interparliamentary Union by Arthur Deerin Call, permanent executive secretary of the United States group, entitled "Parliament of Man."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Interparliamentary Union is a substantial answer to the frequent charge that the United States Congress in particular is parochially minded and impotent and that legislative bodies in general are uninformed when not unconcerned about international affairs.

I

Foreigners are gradually learning that the legislative branch of the United States Government can never, as often charged, be "isolationist" in theory or in fact when major international questions are before the country.

The foreign policies of the United States have been dependent from the start upon the will of the Senate and often of the House of Representatives. The Constitution of the United States, framed by men keenly anxious to avoid the evils of war, provided from the beginning that the President shall have power to make treaties, appoint the country's representatives abroad, including ambassadors, ministers, and consuls, only with the advice and consent of the Senate. The Federal Convention of 1787 considered treaties and the Government's representatives abroad of such vital relation to the life and liberty of the Federal Union they proposed to set up that they insisted each of the States of the Union should have an equal voice in their determination. Furthermore, by arranging that all bills for raising revenue must originate in the House of Representatives that body, too, was placed in position to alter or block treaties and to shape or modify the Nation's foreign policies, especially those affecting tariffs, immigration, foreign commerce and postal laws, military activities, and, indeed, war itself. The responsibilities of the Congress, which, of course, includes both the Senate and the House, in all matters affecting the country's foreign policies constitute, therefore, a major fact in the development of the United States.

As is well known, this division of responsibility for the establishment and control of foreign policies between the executive and legislative branches has in the main proved to be beneficent; the evil effects of secrecy, for example, have never been able to get very far under such a system.

Yet it is charged by more than one authority that our legislative body is "so large", "so slow in action", indeed, so "ill-informed on foreign relations", that achievement in those fields is often seriously hampered. In varying degrees similar criticisms are made against all parliaments, sometimes against the parlia-

mentary system itself. An encouraging evidence that parliamentarians are neither ignorant nor unmindful of these charges, however, is the Interparliamentary Union, now 45 years of age and about to hold its twenty-ninth conference next October in the city of Madrid.

II

As formerly stated, the purpose of this instrument for the enlightenment and cooperation of parliamentarians from every quarter of the globe is to unite in common action the members of all parliaments constituted into national groups, in order to secure the cooperation of their respective states in the firm establishment and the democratic development of the work of international peace and cooperation between nations. At the beginning the avowed purpose was to promote arbitration as an effective method of settling international disputes and avoiding international wars. Increasingly since its foundation in 1888 its further object has been to study all questions of an international character suitable for settlement by parliamentary action.

III

The principle of arbitration, stood for by the Interparliamentary Union through all these years, was of course thoroughly understood and widely applied by the ancient world. Its introduction into the modern practice of states, however, is generally acknowledged to have begun in 1794, when Mr. Chief Justice John Jay as special envoy of the United States to Great Britain signed the first treaty under the Constitution of the United States. This "Jay Treaty" contained a plan of submitting to a mixed commission differences between Great Britain and the United States which diplomacy might fail to adjust. It is thus that the United States began its long course in the cause of arbitration.

It remained for a president of the American Peace Society—Judge William Jay, son of John Jay—to extend the principle of arbitration by persuading governments to include in their treaties an agreement not to resort to hostilities but to submit controversies arising under a treaty to the arbitration of one or more friendly powers and to abide by the award. As a result, this "clause compromissoire", as it is called, found its way into treaty after treaty. Then, too, William Ladd, founder in 1828 of the American Peace Society, suggested a congress of nations "to settle and perfect the code of international law", and a high court of nations "to interpret and apply that law for the settlement of all international disputes." William Jay's proposal and William Ladd's plan were presented to many international peace conferences held in Europe during the mid-decades of the last century, where both were "adopted and passed." Indeed, through those decades they were generally known throughout Europe as "the American plan."

It was, however, the more restricted and immediately practical principle of arbitration out of which the idea of an interparliamentary cooperation grew and took shape. It is known that the Baron of Walterskirchen, a member of the Austrian Chamber of Deputies, suggested shortly after and because of the Franco-Prussian War that there should be a greater cooperation between members of the different parliaments. The successful arbitration in 1872 of the Alabama Claims aroused a new and natural interest throughout the parliaments of the world in the wider use of treaties of arbitration.

As far back as 1849, Richard Cobden, well-known statesman and economist, had introduced in the British House of Commons a resolution favoring international arbitration. On July 9, 1873, Henry Richard moved in the House of Commons a resolution urging that the Queen of England be asked "to enter into communication with foreign powers with a view to further improvement in international law and the establishment of a general and permanent system of arbitration." Notwithstanding the unusual bitterness throughout Europe at that time, the motion was carried. In the autumn of 1875, Dr. Albert Fischhoff proposed at a meeting of Austrian and Hungarian delegations that steps be taken to hold annual conferences of parliamentarians with the view of reducing the "heavy burden of standing armies." On October 31, 1887, a delegation of British members of Parliament presented to President Cleveland at the White House in Washington a memorial, addressed to our President and Congress, signed by 232 members of the British Parliament, in favor of a treaty of arbitration between Great Britain and the United States.

It was William Randal Cremer, a Labor member of the British Parliament, who headed that delegation to Washington in 1887. The next year, with the aid of Frédéric Passy, widely known economist and member of the French Chamber of Deputies, Cremer brought about in Paris, 1 year to a day after the interview at the White House, a meeting of 24 French and 9 British parliamentarians. Cremer's object was to promote arbitration treaties between France and the United States, on the one hand, and between Great Britain and the United States, on the other. In those days no one would have dared to suggest an arbitration treaty between France and Great Britain. The net result of that Paris meeting in 1888 was a vote that "another meeting, to which shall be admitted not only members of the three parliaments named above (American, British, and French), but also members of other parliaments who have made themselves known by their devotion to the same ideas, shall take place next year in order to complete the work begun at this first Conference." Thus it was that on the last day of October 1888 was born, at the Grand Hotel in Paris, "The Interparliamentary Conference for International Arbitration", to be named later—in 1899, to be exact—the Interparliamentary Union.

The meeting called for in that Paris Resolution of 1888 was held during the World Exposition, in the Salle de Fêtes of the Hotel Continental, Paris. There came to that conference nearly 100 representatives from 9 different parliaments, as follows: 56 French, 28 British, 5 Italian, and 1 from each of the following parliaments: Belgium, Denmark, Hungary, Liberia, Spain, and the United States, which was represented by Mr. William Whiting of Massachusetts. M. Frédéric Passy presided over this, the first of the interparliamentary conferences, and M. Jules Simon, former Premier of France, opened the meeting with an address; but the propelling force throughout was William Randal Cremer.

The conference passed a number of resolutions, one of which sets forth the fundamental spirit of the Interparliamentary Union even as it is today. This resolution contained these words: "The Congress of Governments tending to become more and more only the expression of ideas and sentiments voiced by the body of citizens, it is for the electors to lead the policy of their country in the direction of justice, of right, and of the brotherhood of nations."

From the beginning, the Interparliamentary Union has had the earnest support of the ablest and most practical of statesmen.

William Randal Cremer, born in 1828, began his career as pitchboy in a shipyard at 2 shillings a week. He then served 6 years as an apprentice in the building trade. As a carpenter, he became interested in the International Working Men's Association, and in 1871 organized the Workmen's Peace Association. When 57 years of age, Cremer was elected to Parliament, where his first ambition was to bring about an arbitration treaty between Great Britain and the United States, with the view that such a precedent would surely be followed by other nations. He was backed in his ambition by some of the best-known men in the British Parliament, such as Mr. Asquith, Mr. Bright, Mr. Bryce, Mr. Chamberlain, Mr. Morley, Mr. Haldane, Sir Edward Grey, Sir John Lubbock, and others, all of whom signed the memorial which Cremer brought to the President and Congress of the United States in 1887.

Cremer journeyed to the United States four times in the interest of arbitration and understanding between England and this country.

William Randal Cremer is acknowledged as the father of the Interparliamentary Union. For his services to that organization President Carnot, of France, decorated him in 1890 with the Legion of Honor and, upon the initiative of Prime Minister Sir Henry Campbell-Bannerman, King Edward VII, of England, later bestowed upon him the order of knighthood. In 1903 Cremer received the Nobel peace prize, amounting to about \$45,000. Comparatively poor though he was, he forthwith gave all this money to his International Arbitration League, which still exists with headquarters in London.

Beginning in 1892, the Interparliamentary Union had for 17 years as its honorary general secretary Dr. Albert Gobat, member of the Swiss Parliament. In 1902 the Nobel peace prize was divided between Dr. Gobat and M. E. Ducommun. In 1901 Frédéric Passy, who had aided Cremer with his interparliamentary plans from the start, shared with M. Henri Dunant, founder of the Red Cross, the Nobel peace prize.

Other early supporters of the Union were such men as M. Léon Bourgeois and Jean Jaurès, of the French Parliament; Mr. Philip Stanhope, afterwards Lord Weardale, of the British Parliament, for many years president of the council of the union; Frederick Bajer, of the Danish Parliament, destined in 1908 to be honored also by the Nobel peace prize.

Cremer having died July 22, 1908, and Dr. Gobat having also passed on, the headquarters of the Union were moved from Berne to Brussels, and in 1909 Dr. Christian L. Lange, well-known linguist and educator of Norway, was elected secretary general of the Interparliamentary Union. The growth of the union since has been due mainly to the energy and personality of this man. In 1921 he and K. H. Branting, of the Swedish Parliament, shared together the Nobel peace prize. After 24 years of able and untiring service, Dr. Lange will retire from his position on June 30 of this year, 1933, when he will be succeeded by Dr. Leopold Boissier, of Switzerland.

M. Fernand Bouisson, President of the French Chamber of Deputies, is president of the Interparliamentary Union Council and chairman of the executive committee, nearest approach there is to a president of the Interparliamentary Union. His predecessors in this office have been Auguste Beernaert, former Prime Minister of Belgium; Lord Weardale, who assisted in the formation of the union; and Baron Theodor Adelswaerd, president of the Swedish group. The other members of the executive committee are at this writing Dr. L. Moltesen, of Denmark, due to retire in 1933; M. Cicio Pop, of Rumania, due to retire in 1934; the Duke of Sutherland, of the British House of Lords, due to retire in 1935; and Hon. Andrew J. Montague, of the House of Representatives of the United States of America, whose term will expire in 1936.

The organization of the Interparliamentary Union is comparatively simple. It starts with the national groups, of which there are some 40, ranging alphabetically from Allemagne to Venezuela. Each group, limited to members of the parliament, possesses its own organization, with its bylaws, officers, and committees.

Delegates from these groups make up the international conferences, where only they take part and where usually everyone seems anxious to speak; indeed, one attending these conferences is often forcefully reminded that the name "parliament" harks back to a French word meaning "to speak." Each group, however, is en-

titled only to a limited number of votes, a minimum of five, additional votes being allowed on the basis of the State's population. Furthermore, each group with a membership of 50 percent of the lower house is entitled to another extra vote; if 60 percent, 2; 75 percent, 3; 90 percent, 4 extra votes. The voting in the conferences is usually by a show of hands, although any delegate has the right to demand a vote by roll call. If 20 or more members demand it, the election of officers has to be by secret ballot.

Since the Christiania Conference of 1899, the governing body of the Union has been the council, composed of two members from each group. This is the body that fixes the agenda for the conference, determines the time and place of the meeting, drafts the budget, nominates officers, and functions generally as a governing body should.

In 1908 a permanent chairman was provided for the council, to be assisted by an executive committee of five, including the chairman; each of the remaining four being elected for a period of 4 years upon nomination by the council and vote of the conference. This is the inner circle that prepares the work for the council and controls the central office.

This central office is known as the Interparliamentary bureau, with headquarters formerly at Berne, then at Brussels, from 1914 to 1920 at Christiania, and now at 6, rue Constantin, Geneva, Switzerland. It is this bureau that deals directly with the groups, prepares publications, and carries on the technical work of administration.

It has been found that this kind of organization usually operates successfully even under the most trying of circumstances. If, for example, some highly controversial question breaks forth in one of the conferences, it can be "referred to the council" for its advice. If it proves to be too provocative for the council, it can be further delayed by referring it to the executive committee. By the time, however, it reaches the executive committee it is usually cooled down below the point of explosion. Often by that time the whole thing is quite forgotten. Thus the organization enables the union to weather the storms.

There is, too, still another phase of the organization that makes for smoothness and efficiency. This is a series of six permanent study committees on which all groups are supposed to be represented. One of these committees deals with political and organization questions; another with juridical questions; another with economic and financial questions; another with ethnic and colonial questions; another with the reduction of armaments; and still another with social and humanitarian questions. Often there are also subcommittees consisting of a limited number of members for the purpose of preparing reports and draft resolutions for the main committees. Beside their regular functions of preparing reports as results of their researches, these committees, too, serve as cushions in times of stress, for it is frequently found to be an advantage to have such bodies to which debatable questions may be referred "for study and report."

v

Since that preliminary meeting in Paris in the autumn of 1888 there have been 28 conferences of the Interparliamentary Union, as follows: First, Paris, 1889; second, London, 1890; third, Rome, 1891; fourth, Berne, 1892; fifth, The Hague, 1894; sixth, Brussels, 1895; seventh, Budapest, 1896; eighth, Brussels, 1897; ninth, Christiania, 1899; tenth, Paris, 1900; eleventh, Vienna, 1903; twelfth, St. Louis, 1904; thirteenth, Brussels, 1905; fourteenth, London, 1906; fifteenth, Berlin, 1908; sixteenth, Brussels, 1910; seventeenth, Geneva, 1912; eighteenth, The Hague, 1913; nineteenth, Stockholm, 1921; twentieth, Vienna, 1922; twenty-first, Copenhagen, 1923; twenty-second, Berne and Geneva, 1924; twenty-third, Washington and Ottawa, 1925; twenty-fourth, Paris, 1927; twenty-fifth, Berlin, 1928; twenty-sixth, London, 1930; twenty-seventh, Bucharest, 1931; twenty-eighth, Geneva, 1932. In other years there have been meetings of the council. In 1929 not only the council but the six study committees held extended meetings at Geneva.

The conferences of 1889, 1890, and 1891 were held in private rooms; but the fourth, held in Berne, 1892, met in the Swiss House of Parliament. Since that time the conferences have been held regularly in Parliament buildings. Since the King of Norway greeted the conference of 1899 with official ceremony, heads of governments have invariably extended every possible courtesy to the delegations.

These conferences are unofficial gatherings of officials elected for the most part by the people. They concern themselves with phases of international affairs of direct interest to parliamentarians. They are the world's nearest approach to a "parliament of man."

The preparation for a conference begins with an invitation from some national group, supported by the head of the government. When this invitation has been accepted, the council agrees upon the program for the conference. It is planned that the conference shall deal as far as wise with the subject of practical and immediate interest. Draft resolutions, usually the result of painstaking work by the study committees, are compiled in the form of preliminary documents and sent to the delegates before the conference. The conference usually lasts 5 days. The first 1½ days are devoted to a discussion of the report of the secretary general, invariably a valuable summary of the major problems facing the nations.

Then the other items of the agenda are taken up in order. From these discussions, resolutions develop, which resolutions are submitted to the conference on the last day. While arbitration and the pacific settlement of international disputes have been the major purpose of the union from its start, it is apparent from

the resolutions passed by the various conferences that the delegates have always shown a tendency to broaden the field. Before 1911, for example, there were resolutions relating to the organization of the society of nations, to problems of neutrality, to the limitation of armaments, to the laws of war, to an international prize court, to the treatment of foreigners, to private international law, to the methods of mediation, good offices, commissions of inquiry, obligatory arbitration, the organization of an international judiciary, and other phases of the growth and organization of international cooperation.

Prior to the war, however, it is apparent that the delegates preferred to limit themselves to those phases of international affairs that belong more particularly to the realm of international law, rather than to economic and political questions. Parliamentarians are politicians, and as such they have sensed the importance of avoiding as far as possible economic and political questions sure to be embarrassing if opened up in a conference. When at the conference in 1932 there was a lapse in this policy, and a French delegate raised the question of the murder in Rome of the Italian Matteotti, it precipitated a near riot that ended in the withdrawal of the Italian group from the union. It is generally accepted also that the conferences of the Interparliamentary Union should exclude utopian aims from the discussions and limit themselves as far as possible to the peaceful and judicial processes of settling international disputes.

The discussions and resolutions of the conference are brought together into one volume known as the "Compte Rendu." This invaluable text contains the preliminary documents; the convocation circulars; the program; the report of the secretary general; the report of the council and of the bureau; the deliberations of the conference; the resolutions in French, English, and German; a list of the members—a sizeable and serviceable volume of several hundred pages.

The results of these years of parliamentary effort have not been wholly intangible. Stipulated arbitration treaties, the Permanent Court of Arbitration, the calling of the first Hague Conference in 1899 and the second in 1907, were all directly promoted by the Interparliamentary Union. Throughout its career the union has pioneered in behalf of the permanent, peaceful organization of international relations. During the war the bureau published a pamphlet entitled "The Conditions of a Lasting Peace—A Statement of the Work of the Union", in French, English, and German. Later, also in three languages, the bureau published a volume on *Treaties for the Advancement of Peace*.

Since the organization of the League of Nations, it is felt that there is a greater need for the Interparliamentary Union than ever. The League is composed of representatives of governments, mostly of diplomatic character, concerned primarily with their own governments' immediate interests; while the Union, largely because of its unofficial character, is both a forum and a training field for the direct representatives of the people.

The efforts to develop a satisfactory Permanent Court of International Justice at The Hague have been a natural development out of the policies pleaded for by the Interparliamentary Union. The whole agitation for the reduction of armaments is but a continuation of its years of work. The principle of the Paris pact was forecast in the conference of the Union at Berne, 1924. The control of the manufacture of noxious drugs has advanced materially because of the Union.

The Union publishes a monthly bulletin in English, French, and German, and special pamphlets. It published in 1932 a volume of reports of 18 experts of different nationalities on the Character of a New War, which has had a wide circulation. The *Annuaire Interparlementaire*, published under the auspices of the Union, is a definitive text of parliamentary information about each of all the Governments of the world.

There is a service which the Interparliamentary Union is peculiarly fitted to render. Whether or not it renders that service with sufficient adequacy will depend in the last analysis not so much upon the vision of the parliamentarians as upon the amount of time they may find it possible to devote to it. Parliamentarians have the vision. They know that there are overlapping international interests which cannot be left to dictators nor to laissez faire. They know that there are political, economic, and humanitarian problems affecting labor, production, transportation, exchange, demanding international treatment. They agree that mutual conferences between parliamentarians are necessary and that the Interparliamentary Union offers the best opportunity for such conferences. The principal drag upon the progress of the Interparliamentary Union is the normal preoccupation of legislators with their swamping tasks immediately at hand.

Perhaps the meaning of the Interparliamentary Union has nowhere been more happily stated than in the words of Senator William McKinley, who, as President of the American group, expressed in 1925 the opinion that "It is not without significance that in this day of divergent interests, points of view, and policies, there exists in the world this organization of parliamentarians out to understand the other fellow's job."

VI

The American group of the Interparliamentary Union was organized in 1903, upon the initiative of Representative Richard Bartholdt, of Missouri, who had just returned from the Vienna conference, assisted by Representative Theodore E. Burton, of Ohio, Representative Samuel G. Barrows, of New York, and others. That year the United States invited the Interparliamentary Union to hold its twelfth conference in connection with the World's Fair in St. Louis in 1904. The invitation was accepted, and for the ex-

penses of the conference the United States appropriated \$50,000. It was because of that conference that President Theodore Roosevelt was led to initiate the second Hague Peace Conference.

Again in 1925 the United States was host to the Interparliamentary Union, this time in the city of Washington, for which an appropriation of \$50,000 was made. Upon the request of the Congress, it was President Coolidge who extended the invitation to this conference. Forty-one parliaments, the largest number in the history of the Union, sent delegates.

During the early years delegates to the conferences paid their own expenses, the United States making no appropriation for the support of its own group. Later funds were collected from outside the Congress with which to pay in part the traveling expenses of the delegates. Beginning in 1911, Congress has appropriated each year for the expenses of the Interparliamentary Bureau. Following the war, the United States appropriated \$1,500 and later \$2,000 annually for the support of the Bureau at Geneva. At the nineteenth annual meeting of the American group, February 24, 1922, Mr. Theodore E. Burton, of Ohio, pointed out that for a good many years Congress had appropriated \$2,000 annually toward maintaining the Bureau at Geneva and urged that the amount be increased to \$4,000, which was recommended by the group and agreed to by the Congress of that year. In 1925 the Congress raised the amount of this contribution to the Bureau at Geneva to \$6,000.

At the twenty-fifth annual meeting of the American group, February 24, 1928, attention was called to the financial condition of the group that there was no provision for dues or assessments, no aid from Congress, and that the group was the recipient of charity. Senator McKinley, president of the group, paid many of the bills out of his own pocket. The treasurer, Representative ADOLPH J. SABATH, was known to ease the situation from time to time from his own funds. The Carnegie Endowment for International Peace had been contributing toward the support of the group for several years. The American Peace Society had been furnishing office space for the group, caring for its library, furnishing considerable printing, and donating the services of its secretary and editor. Generous as all these acts were, it was thought that they ought not to be necessary. The \$6,000 annual appropriation for the Bureau continued from 1926 to 1930, inclusive. For the fiscal years 1931 and 1932 Congress increased the appropriation to \$10,000 and added \$10,000 for the expenses of the American group. For the fiscal year 1933, the Congress reduced the appropriation for the Bureau at Geneva to \$7,500, and eliminated entirely the appropriation for the group.

As pointed out by President ANDREW J. MONTAGUE, speaking before the subcommittee of the House Committee on Appropriations, December 23, 1932: "No one can doubt the Interparliamentary Union is an organization of value, especially to members of parliaments. . . . Many of the groups are supported by national appropriations. A number of the governments furnish special headquarters in their parliament buildings for their interparliamentary groups. Fourteen South American governments appointed and sent delegates to the twenty-third conference, held in Washington, 1925, and paid all their expenses. Some of the groups are officially constituted by their parliaments and the expenses of their delegates automatically paid."

Leading men of the Congress of the United States have associated themselves with the work of the American group from its beginning. Names that come quickly to mind are Champ Clark, John Sharp Williams, Henry A. Cooper, John F. Shafroth, W. J. Harris, William A. Oldfield, Stephen Porter, John W. Weeks, Lawrence D. Tyson, Warren Kiefer, Elihu Root (still an honorary member of the group), J. Charles Linthicum, Thomas J. Walsh, and many others.

Presidents of the American group have been as follows: Richard Bartholdt, Missouri, 1903-15; James L. Slayden, elected February 24, 1915; Senator William McKinley, Illinois, elected February 24, 1919; Senator Theodore E. Burton, of Ohio, elected February 24, 1928; Andrew J. Montague, of Virginia, elected February 24, 1930.

Delegates from the United States of America group of the Interparliamentary Union have attended, with the exception of the 6 succeeding the first, every one of the 28 conferences. These delegates, including outstanding men of the Congress, have invariably returned to the United States convinced not only that here is one organization with which Members of the Congress of the United States can and should associate, but that it is in fact a major defense of the parliamentary system and of the modes of democracy which that system continues, fortunately, to represent.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred or placed on the calendar, as indicated below:

H.R. 5690. An act to legalize the manufacture, sale, or possession of 3.2 percent beer in the State of Oklahoma when and if the same is legalized by a majority vote of the people of Oklahoma or by an act of the Legislature of the State of Oklahoma; to the Committee on the Judiciary.

H.J.Res. 192. Joint resolution to assure uniform value to the coins and currencies of the United States; ordered to be placed on the calendar.

SECRETARY OF THE TREASURY

Mr. LONG. Mr. President, I gave notice on yesterday that I would make a short answer to the speeches delivered by the Senator from Michigan [Mr. VANDENBERG] and the Senator from Wisconsin [Mr. LA FOLLETTE] on the St. Lawrence Waterway Treaty. However, before speaking on that matter, I wish to call the attention of the Senate to a news report of this morning and of yesterday. It is currently reported in this morning's New York Times that the Secretary of the Treasury, Mr. Woodin, is going to resign and that his place will be filled by the appointment of former Representative Douglas, of Arizona. I am not in the confidences of the administration to such an extent that I know whether this report is anything like true or not, but the persistent report is, and, as the New York Times says, the unanimous opinion of Washington is that Mr. Woodin's resignation will soon be forthcoming and that Mr. Douglas' appointment will soon be made to take his place.

I am afraid, Mr. President, that some of the others of us in the Senate are going to advise the President wrong about this matter, and I want to give the Senate some information so that my colleagues in the Senate who may be called in to suggest a successor, in case there is such an eventuality as the resignation of the Secretary of the Treasury, will not fail to have the facts. I hope we shall not jump out of the frying pan into the fire. I have nothing against Mr. Douglas, and entertain for him a feeling of personal regard; I know of him only by mere passing, and I have no feeling to the point that would be even remotely prejudicial to him; but I do not want Mr. Douglas to be embarrassed, and I do not want the party to be embarrassed, and I do not want the United States to be embarrassed by making a greater mistake even than that which we have already made.

I understand that Mr. Douglas is, from his various family affiliations and other interests, inextricably interwoven so far as family is concerned with the Phelps Dodge Corporation. I understand that this young man, brilliant as he is in many capacities, and probably in all, is affiliated, through many varied family circles and other interests, with the Phelps Dodge interests.

I have here before me the speech of the Senator from Nebraska [Mr. NORRIS] on February 23, in which he gave a chart of Morgan's various and sundry interlocking concerns. It will be found at page 4778 of the CONGRESSIONAL RECORD of February 23, and from that chart it appears that of the 120 so-called "affiliates" of the Morgan interests, the Phelps Dodge Corporation is one.

Also, Mr. President, I find from the Phelps Dodge report as contained in Moody's Manual that the Phelps Dodge Corporation has as one of its directors Mr. T. S. Lamont. Mr. T. S. Lamont is a son of Mr. Thomas W. Lamont, and Mr. Thomas W. Lamont is the chief partner of Mr. J. P. Morgan, of the famous House of J. P. Morgan & Co.

I find further, Mr. President, the name here of Mr. A. C. James as a director of the Phelps Dodge Corporation. Mr. James being a director of the Phelps Dodge Corporation also appears on the preferred list of J. P. Morgan & Co. in the Alleghany and Standard Brands stock issues as disclosed by the investigation some days ago.

I am further informed, Mr. President, that this concern carries its bank balances with J. P. Morgan & Co., and is to all intents and purposes one of what might be called the Morgan family.

Mr. President, I wish to say that I know there are Senators here who disagree with me in this matter, and they are as honest as I am, and they may be right and I may be wrong about it. I find as a director of the Phelps Dodge a gentleman, Mr. Walter S. Douglas, I believe is his name, who, I am informed, is an uncle of the present Director of the Budget, Mr. Lewis Douglas. I am informed that the brothers have been partners and that also the grandfather of our distinguished Director of the Budget was one of the Phelps Dodge people. Of course there are family inheritances of property that are just as honorable as any that we may have; but, Mr. President, while the Members of the Senate

may disagree with me and be as honest, I am sure, as I am, and they may be right, I want to present this picture, that if we are going to go back to the muzzle of the House of Morgan to get another Secretary of the Treasury, then we might just as well let the man stay there who is there now; in fact, I prefer the man who is there now, kind hearted as he is, than to go back and take up someone else as though we had changed from left to right, when, as a matter of fact, we would be in the same situation as we were in the beginning. I hope that the Members of the Senate who will be called upon to advise and consent to whatever appointment may be made to fill this job will certainly not put us in the predicament of having to go back into the House of Morgan to get another man to fill this job. That is all I have to say relative to that.

Mr. REED and Mr. ASHURST addressed the Chair.

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield to the Senator from Pennsylvania.

Mr. REED. I thought the Senator had finished. I will await my opportunity to obtain the floor in my own right.

Mr. LONG. Did the Senator want to ask me a question, or what did the Senator want?

Mr. REED. I want the floor.

Mr. LONG. The Senator cannot get it now.

Mr. President, that is all I have to say on this question. I wish to be understood as in no way reflecting upon the character or high ideals of Mr. Douglas in any manner, nor am I reflecting upon the ideals of Mr. Morgan. I know nothing about any of the gentlemen which would prevent me from giving them a certificate of good character. I know nothing about any of these interests that in any respect is different from what the Senate itself knows. I simply want it known here that, having been one of the complainants speaking on this floor, if I have given any impression to anybody that whatever sentiments I may have would be remotely cheered by swinging from Mr. Woodin to Mr. Douglas, I would rather leave Mr. Woodin there, because in the administration of the Economy Act Mr. Douglas has shown his adaptability to using the knife to the point of cleaning out the Government hospitals and not only putting the soldiers out in their underclothes, as the Senator from Indiana [Mr. ROBINSON] would have us believe, but in many instances without any clothes at all. I would rather have the situation as it now exists. I would be more pleased to see Mr. Woodin stay in office than to see Mr. Douglas put in there. So much for that.

THE ST. LAWRENCE DEEP WATERWAY PROJECT

Mr. President, I want to consume a few moments of time now on the St. Lawrence waterway project. Again I am cognizant of the fact of the difference which exists between myself and other Senators in this Chamber on this question. I listened all day yesterday to the speeches by the Senator from Michigan [Mr. VANDENBERG] and the Senator from Wisconsin [Mr. LA FOLLETTE]. They spoke all day on the question. In the course of their addresses they read some very interesting data which they had collected. Excepting for the fact that they appeared to have studied everything except our own inland waterway system, the addresses were very instructive.

I simply want to call the attention of the Senate to the situation. We have been told that this project is of advantage to Canada. I wish to show just what an advantage it is. I shall send to the desk and ask to have published following my remarks today, as exhibit A, advertisements appearing throughout Canada. Here is what they say. Here is what Canada gives as a reason why they want to build this canal. Here is why Canada says they want to build this canal with the money of America in Canada, with the labor of Canada, to take the commerce of America now going through American ports as well as the commerce of Canada that is now going through American ports. The money of America is to hire the labor of Canada and buy Canadian materials to construct this Canadian canal. A part of this advertisement reads as follows:

KEEP YOUR TRANSPORTATION DOLLARS IN CANADA Shipments of Canadian grain in 1930

	Bushels
Through United States ports.....	67,747,685
Through Canadian-Atlantic ports.....	5,153,553
An all-Canadian route for Canada's grain.	

In other words, they say that out of a total of 72,000,000 bushels of grain shipped out of Canada, 67,000,000 bushels of it goes through American ports, and 5,000,000 bushels of it goes through the ports of Canada, and therefore they want the work done in order that they may have a complete right to carry all this traffic through Canadian ports.

Mr. President, I ask that this advertisement may be printed as exhibit A at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit A.)

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. I yield.

Mr. COPELAND. Is the Senator familiar with the fact that on May 26, last week, an amendment to the Canadian shipping act was passed prohibiting the carriage of Canadian grain over all or any part of the route between the head of the Great Lakes and eastern exporting centers in other than British ships? Under existing legislation United States ships carry more than half of the Canadian crop to Buffalo and then to Montreal. In the future it will all be carried in Canadian ships.

Mr. LONG. Then I am afraid I have not the entire purport of the situation in mind. I was not familiar with that fact. Does the Senator mean to say that they have now enacted a law in Canada providing that this grain must all be carried now in British ships?

Mr. COPELAND. That is correct. That is the purport of the law which was enacted May 26, just last week.

Mr. LONG. That is nothing new. They are building the canal with American money, building it with Canadian labor, building it with Canadian materials, and building it in Canada. They boldly tell us they are building it to take trade away from American ports and put it through the ports of Canada, and now they have gone to the extent of saying that hereafter all of that traffic which has been hauled on the Great Lakes in American ships may only be hauled in ships flying the flag of Great Britain. That principle is not anything new.

In the editorial from which I read the other day, which was published in the Toronto Mail and Empire, of Toronto, Canada, it is said, just to show how well they know how they are handling the American people:

The United States abandons its ancient contention that Lake Michigan is an American lake.

We not only have abandoned our right to haul in American ships but we have abandoned our right to the claim that Lake Michigan is an American lake. I shall read further from the editorial as I proceed.

Mr. President, what is the first part of the treaty? The two distinguished Senators who spoke on yesterday are not here at the moment, but I hope the Senate will not think I am making statements which I would not make if they were here. We just had a quorum call, and if they are not in the Chamber I am not responsible for their absence.

These distinguished Senators stood here for a whole day and led themselves to believe—I do not believe they have led anybody else to believe anything of the kind—that Canada pays half of the cost of this canal going through to Montreal and from there to the sea, but they are wholly mistaken in that respect. That is not correct. They pretended that they were allocating the costs. They allowed the Canadian Government what had already been spent on the project and allowed the United States what we had spent on the project. Of course, the United States manifestly has not spent anything on the project, but Canada

has done certain inland-waterway developments in and around that area, and these Senators therefore give Canada credit for some hundred or so millions of what they have spent as though it were expended for carrying out this project, when as a matter of fact what Canada has been doing has been to develop an inland waterway system up there, caring for its various and numerous local interests. The Senators have lumped in that way to the credit of Canada the entire amount of money Canada has spent in that way and given Canada credit for having spent it on this project under the terms of this treaty.

Mr. CLARK. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. I should like to invite the attention of the Senator from Louisiana to the fact that under the terms of the treaty Canada is not obligated to spend one single penny on this project. The preamble does recite that "whereas Canada contemplates" doing certain things, therefore the United States "obligates" itself. The only obligation in the treaty whatever is the obligation on the part of the United States to spend an unnamed sum of money, which will run into hundreds of millions of dollars, for the improvement of a Canadian waterway.

Mr. LONG. I so understand it. They claim that whereas the Canadian Government means to do something, and yet does not obligate itself to do it, that is a contract on their part. The United States does go into a contract, however, that obligates us to go ahead and spend money, but Canada, as is indicated by the Senator from Missouri, is not obligated to do a thing or to spend a cent.

I want to give some estimates of the cost of the matter that will come a great deal nearer being below what it will cost than above what it will cost. I think I have them compiled here and can present them in a way that will impress the Senate. The data are contained in some of the testimony given before the committee, or rather in the briefs that were filed before the committee.

Mr. COPELAND. Mr. President, will the Senator yield at that point?

Mr. LONG. Certainly.

Mr. COPELAND. It was specified that the lowest cost would be \$543,000,000 and would go as high as \$1,350,000,000.

Mr. LONG. What testimony was that?

Mr. COPELAND. I have not the reference to the testimony, but this is a quotation from it.

Mr. LONG. In other words, while the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Michigan [Mr. VANDENBERG] are giving their estimates, our estimates show that this cost will be not less than \$543,000,000 and perhaps as high as \$1,350,000,000. In other words, this project is no such thing as a \$100,000,000 project, anyway. It is somewhere nearer the \$1,000,000,000 mark than it is the \$100,000,000 mark. The cost of this project is strictly an American obligation, without any question of possibility of liability on the part of Canada. They have some design in mind which may involve the spending of a little more money, but if they have ever been called upon to pay anything out, what they have been spending up there in their local development for their various and numerous communities will be deducted before they ever have to match any money we are going to spend. That is the truth.

Mr. COPELAND. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Louisiana yield further to the Senator from New York?

Mr. LONG. I yield.

Mr. COPELAND. I observed yesterday that the Senator from Wisconsin [Mr. LA FOLLETTE] had much to say about Massena. In his speech before the Carthage Chamber of Commerce Mr. Martin, president of the Massena Chamber of Commerce, an organization taking the side of the waterway, said that "between one and one and one half billion dollars will be spent for materials and labor."

Mr. LONG. Who was this Mr. Martin?

Mr. COPELAND. He is the head of the Chamber of Commerce of Massena.

Mr. LONG. Where is Massena?

Mr. COPELAND. Massena is in New York.

Mr. LONG. Are Mr. Martin and the Massena Chamber of Commerce in favor of this project?

Mr. COPELAND. The Massena Chamber of Commerce, through its president and secretary, is in favor of it.

Mr. LONG. Is the Massena Chamber of Commerce in favor of this project?

Mr. COPELAND. Thoroughly.

Mr. LONG. Then I can cite to the Senator from Wisconsin some of his own authority. I hope to have the attention of the Senator from Wisconsin, who has now entered the Chamber, because the Senator from Wisconsin evidently has not kept up with what his own people think about this project. I have told my friend from Wisconsin that I am going to take some time off this summer and try to study this matter and see whether there is any basis for any belief that there is going to be a benefit to Wisconsin or any other State through this project. Mr. Martin, of the Massena Chamber of Commerce, in a statement which appeared in the Carthage Republican Tribune on April 13, is quoted as follows:

He said that between one and one and one-half billion dollars would be spent for materials and labor.

That is a quotation of what Mr. Martin thinks about the cost of this project.

That is not only our estimate, Mr. President, but that is the estimate of the Massena Chamber of Commerce, from which the Senator from Wisconsin has quoted at such length, that this St. Lawrence waterway is going to cost from a billion to a billion and a half dollars. Who is going to pay it? Let us see who is going to pay it. Do the people of Canada think they are going to pay any of that money? The treaty does not require them to do it; and let me show you whether they think they are going to pay any of it or not. They never have, and they are not going to do it now. Here is what they say:

COST TO CANADIAN TREASURY ONLY \$38,000,000

No feature of the treaty is more surprising—

Why, certainly! When you surprise Canada now, any time the United States makes a treaty with Great Britain, and it is so favorable to the British Empire that it surprises Great Britain, it is bound to be going some. Any time Canada gets surprised over some favorable action, in view of what the British people always have come away with every time we have gone into a treaty with them, it is bound to be going some. However, Canada was surprised.

No feature of the treaty is more surprising or more satisfactory than the low cost to Canada at which the undertaking is to be carried out. Because of want of information, the press has carried all sorts of extravagant statements as to the heavy financial burden with which the taxpayers were to be saddled in a time of depression. As late as last Saturday a Montreal newspaper estimated that the Canadian people would be mulcted to the tune of \$570,000,000.

That is when they thought they were going to pay half of it. "Oh, no; wait a minute", says this paper:

All such erratic predictions have been relegated to the realm of the absurd and sublimely ridiculous. The treaty provides that the cost of the deep waterways to the Dominion Treasury will be \$38,071,000. This total is reached by adding the \$22,320,000 to be spent in the International Rapids section for property damages, rehabilitation work, and the Chrysler Island canal to the \$22,954,000 to be spent for locks and canals on the Canadian section, and by subtracting from the total \$67,202,500 to be paid by Ontario to the Dominion on account of power works in the International section. This total cost of \$38,071,000 may be cut to \$33,638,500 if a proposed guard lock at Beauharnois is found unnecessary, which is altogether probable. These figures are based upon the 1926 estimates made by the international board of engineers on the project and since revised by that board. It is not to be forgotten that general construction costs are now down about 30 percent.

Then, skipping a little bit, they say:

The cost to the United States is placed at \$243,661,000, made up of—

And then they give some items; but, on the comparison of this Canadian paper, they estimate that the American Gov-

ernment is going to pay \$236,000,000 as against \$33,000,000; and then they go on in this paper as follows:

CANADIAN LABOR AND MATERIALS

Most of the construction work will be done in Canada. All the construction work on the national section will, of course, be done here, but there is more than that. Though the United States is to provide the \$54,718,000 for works situated on the Canadian side in the International Rapids section, Canadian engineers, Canadian labor, and Canadian materials are to be used.

That is in the treaty.

All the labor and materials employed in the Canadian power development at Chrysler Island and Barnhart Island power plants is to be paid for by the Ontario Government and will, of course, be Canadian. As indicated by the maps published in connection with the treaty, the International section, which reaches from a little below Prescott to a little below Cornwall, is 115 miles in length. Most of the development occurs in Canadian waters.

Mr. President, without reading further from this paper, there is not any question whatever that the Canadians have negotiated a treaty that they know means that Canada is going to pay a nominal, insignificant part of the cost, and that the money is going to be used to develop a Canadian port, for the purpose of taking some 67,000,000 bushels in one leap away from the American port, to hire the labor of Canada, the engineers of Canada, to use the materials of Canada, and to build a waterway, we are told by the distinguished Senators from Michigan and from Wisconsin, to give them a route to the sea.

Mr. President, we never have been able to get the Senator from Michigan or the Senator from Wisconsin to find out how to get to the sea. They have heard of only one way of getting to the sea. Somebody told them the only way to get to the sea is to go through Montreal, and we never have been able to get them to look at anything else. Now, here is the way they could have gotten to the sea. I do not for one moment undertake to restrict the people of Wisconsin. Just as the Senator from that State says, they were kind to my people here when we were trying to get money for flood control and navigation of the Mississippi, and we want to be just as kind to them. We want to see the Missouri River developed to a point where they will haul traffic right on up into Montana as they used to do over that route. We are for that. We are for the development of the Ohio waterway, and the canalizing of that river. We are for completing the valley projects and all of the tributaries through the valley; but if we are going to build a canal to go from the St. Lawrence to the sea, here is the way to do it:

You can build a canal going through the port of Albany, going down through New York State a distance of 338 miles from Lake Ontario to New York by way of the Hudson River and the New York State route. It will carry you to the sea in 338 miles, whereas by the route that they are trying to build to go through the port of Montreal, going away up toward Newfoundland, it is necessary to go 1,182 miles to get to the sea. They propose to build a canal in order that the man in Wisconsin can get to the sea. They propose to build a little canal through Canada with American money, using Canadian labor and Canadian materials, 1,182 miles in length, in order to build it from Canada, when they can build a canal and go into the port of New York, the greatest port in the Western Hemisphere, by constructing only 338 miles of waterway, and how much less money it will cost!

Mr. President, so far as use is concerned, this canal is not going to be more than a 6-month proposition at best. If it is built, they cannot operate it more than about 6 months out of the year. I doubt if it ever will be built; but I call your attention to the kind of canal they are going to have when they do get it built. It is an international canal, owned jointly by England and by America. Now, here is something that I hope my western friends will think about. This is supposed to be a neutral canal. If America gets into a war with England, of course England has the canal. The Senator from Michigan says there is no possibility of that, however. He underwrites that there never will be any more wars between any of the English colonies or England and America. Well, that is a pretty good guaranty.

We have the Senator from Michigan giving us a guarantee that there is no possibility of there ever being any more war between any of the English colonies or England and America. We have only had about half our wars with England since we have been over here; but the Senator from Michigan fixes that thing up, and that is all settled. That is fixed. Now if the Senator from Rhode Island [Mr. HEBERT], who is of French descent, will give us the same certificate that we will have no wars with France, and I think I can give you one that we will have none with Holland, we will be about four fifths out of wars the balance of my lifetime with certificates of this kind.

But let us take the Senator from Michigan at his word. Let us say we are not going to have any more wars with England. Have you ever thought about another thing in regard to this treaty? This is supposed to be a neutral canal. Suppose England gets into a war with Germany, or with Japan, or with France: If England is allowed to use the canal at all, America is going to have to be a party to the war; otherwise, we will be violating our own neutrality. In other words, America will have to be a party to every war that England has, or else the canal will have to be shut down, under international law.

The canal is supposed to be neutralized. A war comes on. England has done two things. In case of war with America she has her own canal that she built with American money, and that fixes that. In case England has a war with anybody else, if America uses the canal that she has herself built with American money and Canadian labor, she will have to be on the side of the British Empire, or we cannot even use the canal. I have not heard that disputed.

Before I leave this matter of cost I want to branch off just a moment to say that the Senator from Wisconsin talks about Morgan & Co. being against this treaty. I can prove to you, by the same process of reasoning that the Senator from Wisconsin has used here, that Morgan & Co. are in favor of this treaty. I can prove it to you by just the same logic that the Senator from Wisconsin uses, and I do not have to take any long list of disclosures that occurred over in the Banking and Currency Committee about Morgan and put them back in the RECORD to prove it. But if he takes the position that the chambers of commerce of the various places that are opposing this treaty, particularly the Chamber of Commerce of New York, are dominated by memberships coming from officers of corporations in which Morgan is interested, then he has not a single chamber of commerce in Wisconsin or in Michigan, or in any other place, that has endorsed the thing that is not subject to the same condemnation.

In other words, the power companies, the railroads, and the utilities are all good joiners. They join these chambers of commerce to get business. They join them in order to promote and increase their own business just as much as they can. You will find that resolutions have come from various and sundry boards and commissions favorable to this treaty, and, as a matter of fact, we happen to know that in the original conception of this treaty it was expected that Mr. Mellon and Mr. Morgan were going to be the greatest beneficiaries of anybody from it.

Mr. Morgan, however, has another interest in this matter besides America. Mr. Morgan is the fiscal agent in America for the British Empire. He has a considerable interest in Canada. He has a considerable interest in England. He pays an income tax to England when he does not even pay one to the United States. Mr. Morgan has a substantial interest in this matter. Not only has he an interest in the communities through the chambers of commerce that have endorsed this project but he has his British interest. When you refuse to let American ships carry the grain, that puts my kind of people out; but that does not put Mr. Morgan out, because he is inextricably interwoven with the interests of the British Government the same as he is with the interests of the American Government, and it makes no difference to him.

As a matter of fact, the project no doubt will be a very, very wonderful thing in the eyes of Mr. Morgan from the standpoint and line of reasoning that has been adopted by the Senator from Wisconsin, because the New York Chamber of Commerce is opposed to it. I can tell you one port with which Mr. Morgan has not anything to do, however, and that is the port of New Orleans. We had the help of these distinguished gentlemen in order that we might build up the navigation to the port of New Orleans. You heard the Senator from Wisconsin tell you what he has done. He had, too. You heard him tell you what help he gave, which he had to have, and I want here to acknowledge it and thank him for it. You heard him tell you of the work he had put forth on the Great Lakes-to-the-Gulf waterway. Now let us see what he is doing. I will give him authority from Canada. Here is what he is doing:

Chicago checked, Lake Michigan internationalized.

I am reading from this Canadian newspaper—

As already noted, the treaty itself puts an end to Chicago's ambition to drain the Great Lakes for the benefit of a deep waterway to the Gulf of Mexico by way of the Mississippi Valley.

In other words, after all this work has been done here, for which the Senator from Wisconsin is entitled to as much credit as anybody in this country; after all this work has been done here to give us a deep waterway from Chicago to New Orleans, along we come here and internationalize Lake Michigan, a lake that never was considered anything like an international lake. It never has been disputed that it was not an international lake. It was solely owned by the United States, including all its shores. Here they come along, after all the money we have spent and all the good work that has been done, and say that the whole thing now is out; that there is not going to be any deep waterway.

Take the people in Kansas, take the people on out beyond Kansas, and those in Missouri, and even as far up as Montana, who, if they ever get anything like water transportation into those States, must have it through connection with the Missouri River into the Mississippi River so that they can either go north to Chicago or south to New Orleans or over east to Pittsburgh. Take even those far Western States and reflect what the result will be if, according to the dispatch we have, and the interpretation placed upon it by the Canadian newspaper, they internationalize the lake so as to keep the people from taking their own water in order to have a deep waterway route through the Mississippi Valley.

Who is right about this thing? Are we going to stand here and have the American people go into a proposition that may involve us in an expenditure of a billion dollars, and have us go into a treaty with England that in time of war with England will mean that England will take that canal over and use it against us, or, if England shall go to war, we cannot use it at all unless we go to war with England; build it with American money, internationalize Lake Michigan, and take away from us the water we need to flow down to New Orleans in order that we may have a Lake-to-the-Gulf waterway? If you are going to decide all of this with one stroke of the pen in order that America may spend its money for the glorification of Canadian ports, what kind of a reason are you going to give for having gone ahead and spent this money to build up the Mississippi Valley?

The Senator from Michigan said yesterday that there was one thing I was trying to say to him which he could not understand. He said he felt as if I were blowing hot and cold. He said he could not understand how, in the course of one of my speeches here, I had said that we were flooded with water part of the time, and did not have near enough water part of the time. That is just the trouble with the advocates of this treaty; they do not know anything at all about the inland waterway system. They do not know anything at all about the need for water in one season and the lack of need for water in another season.

This is what I was trying to tell the Senator from Michigan which he does not understand, and apparently can-

not understand, blind, as some people are who favor this treaty, to the point where they never have been able to see what is in front of them. This is what I was trying to tell the distinguished Senator from Michigan, that we have drained such States as Wisconsin and Michigan and Indiana, we have drained them year after year, making such provision that when rain would fall it would immediately be forced into the sluices and find its way into the Mississippi River.

Those lands up there have been drained, area after area, never once taking into consideration that every time a thousand acres of land in the West and the Middle West and the North were drained the flood problem of the South has been made that much more dangerous; so much so that in the months of February, March, April, May, and June, when the melting process takes place in the North, when the snow and the sleet and the ice begin to melt, and they begin to drift down into the Mississippi River, and the spring rains begin to come, we find ourselves in that particular season of the year with the floods coming bank to bank and over the banks and flowing miles and miles and tens of miles. Sometimes I have seen the flood waters go as much as a hundred miles and more through the lands of that country, taking the houses and the homes of the people, in the spring months of the year. Then I have seen the same stream in the fall of the year when there was not water enough in the river to carry traffic from a place like Vicksburg as far down as New Orleans, even.

We want the water to be so controlled that there will be a constant flow. We who have too much water in the spring-time have not enough water in the fall, and it is necessary that we have recourse to the waters of Lake Michigan if we are going to keep traffic there the year round. The Senator from Michigan evidently knows that.

A great deal has been said about power. Who gets this power? I am going to read from the Canadian newspaper again:

The treaty has its power side as well as its navigation side. The work in the international section and in the national section will develop about 5,000,000 horsepower. Of this, 2,000,000 horsepower will be available in the international section and 3,000,000 in the national section. Canada—that is to say, the Province of Ontario—is to obtain 1,000,000 of the 2,000,000 horsepower to be produced in the international section, but all of the 3,000,000 horsepower to be developed in the national section, which is wholly in Quebec, will belong to this country. This means that Canada is to obtain 4,000,000 horsepower and the United States 1,000,000 horsepower out of the whole St. Lawrence waterway development.

Senators are talking about the power, the great power project. If it is a power project, they are spending hundreds of millions of dollars of the American people, and every time they produce 5 horsepower Canada gets 4 and the United States gets 1. The cost of this thing is one of the most stupendous things ever undertaken by the American Government. There never has been anything heard of like it.

I want to say that the danger of this kind of project is realized by more people than myself. I have here a letter from the Brotherhood of Railroad Trainmen, dated May 26, 1933, from Cleveland, Ohio, addressed to me. It says:

MY DEAR SENATOR: I am taking this opportunity to drop you a line to express my appreciation for your opposition to the ratification of the St. Lawrence Waterway Treaty.

Then they go along to show, as the Canadian papers show, that if this treaty is ratified it is going to take away from the American laboring people not only the work of building the canal but it is going to take away the traffic our people are hauling over our own rail lines.

I have another letter here from the Order of Railroad Conductors of America, dated Cedar Rapids, Iowa, May 26, 1933, which reads:

DEAR SIR: As you know, our organization is opposed to the ratification of the St. Lawrence Waterway Treaty. I am informed that this question is out of the picture for the present session of Congress, largely due to your opposition—

And so forth.

That is the attitude of the labor organizations of the United States.

I should like to suggest in that connection just what it is claimed can be done. The treaty calls for a 27-foot channel. As of 1929, our authors point out that only 5 percent of the passenger-cargo ship tonnage engaged in American overseas trade could use this channel; only 38 percent of the faster cargo tonnage and 15 percent of the vessels, only 13 percent of the tonnage operating out of Montreal and Quebec, only 40 percent of grain tramp tonnage operating out of Montreal, no tankers, and only 19 percent of intercoastal tonnage east-bound could use it. This channel—

would, broadly speaking, accommodate only boats of the type now engaged in the local coastal trade and the smaller steamers, mainly the war-built United States Shipping Board boats and tramps.

To accommodate the type of ships which people commonly have in mind as calling, for example, at Chicago, a 33-foot channel would be required.

The season of navigation on the Lakes averages about 6½ months. Lake boats can take chances of being caught in the ice; ocean-going boats cannot. That is something else that ought to be considered. Lake boats can take a chance of being caught, but the ocean-going boats cannot. That is something else; they never will be able to use the ocean-going boats in this canal.

Ocean-going boats would have to reduce speed at least one quarter between Montreal and the Lakes. Even with a 33-foot channel first-class liners would not use the waterway, so at least the leading shipping companies of the world say, and the same view is expressed as to regular cargo liner service.

Our authors after a careful study of available traffic estimate a total potential tonnage for the waterway of 10,500,000, of which grain would account for about 6,500,000—mainly wheat. Of this a little more than one half—2,000,000 tons grain and 3,400,000 tons other freight, mainly metals and minerals—would be American traffic. Livestock, packing-house products, and dairy products offer comparatively small opportunity. The Southwest cannot be expected to furnish much tonnage, and Atlantic ports will make rates on grain that the waterway cannot profitably meet. The Lake carriers will determine grain rates as they have hitherto done, and these rates are already very low, so that much saving in this way is unlikely.

The cost of the waterway is estimated, by these authorities, including the Welland Canal, at a total sum of \$712,000,000.

I cite these facts from a very good authority—namely, the Chamber of Commerce of the State of New York. The cost is estimated at \$712,000,000, and that is not as much as has been estimated by some of those favoring the treaty. Some of the proponents of the treaty estimate it is going to cost over a billion dollars. I put into the *Record* a statement from the chamber of commerce of one of the places that is supporting this treaty—the Chamber of Commerce of Massena, N.Y.—which was supplied to me by the distinguished Senator from New York, showing that they themselves estimate it is going to cost over a billion dollars. But here is an estimate of our side that it is going to cost around \$712,000,000. According to the same authority to which I have been referring, this sum includes interest during construction, not included in the engineers' reports, and an allowance of 20 percent for underestimate as compared with final costs. It also includes an allowance of \$250,000,000 for the extensive and expensive improvements of Lake ports, which would be necessary to enable them to take ocean-going vessels. They reckon annual charges for interest, 4 percent; depreciation, maintenance, and operation at the round figure of \$40,000,000. Three double-track, all-freight railroads could be built from the head of the Lakes to the seaboard for the same money, which would have 30 times the carrying capacity of the waterway.

Three double-tracked railroads can be built from this territory to the seaboard, three double-tracked railroads with a carrying capacity of 30 times the amount of the capacity of this waterway, for the same money, having 30 times the carrying capacity. With interest charges and depreciation

of \$40,000,000 the taxpayer's subsidy to the traffic using the waterway—no tolls are to be charged—will be some \$3.50 per ton—say, 11 cents per bushel on grain. The maximum saving on grain rates would be 4 cents a bushel as against these 11 cents of subsidy.

Mr. President, I do not desire to take more time, because I am sure the Senator from New York will want to say something on this matter, and I have talked longer now than I had intended to. I wish to say that I am glad that our people have taken a sane and sensible course about this proposition. I do not understand that this treaty is going to be brought up. It should not be brought up. If we get into any fix where we owe anything more to England or owe anything more to Canada, then let us pay them. They are not going to pay us so much. But let us not go out and make a gift of this kind to the Canadian Government or to Great Britain when the United States needs this money.

I want to say now that the United States has enough projects it needs to complete without going to Canada to complete one. We ought to go ahead and complete the waterway down the Mississippi Valley. We ought to complete the waterway on the Ohio River, and on the Missouri River, and the necessary tributaries to those rivers. We ought to complete those, and the Tennessee River project ought to be completed. Until we have completed those kind of projects we have no business going out and talking about spending hundreds of millions of dollars of the money of the United States in order to build up a port at Montreal, when we can build the same thing in New York, to which the mileage would be 311 miles, as against over 1,100 miles to go to Montreal.

This is an iniquitous proposal to filch out of the American Treasury hundreds of millions of dollars for this kind of a project, not justified by any fact, and which should not receive any kind of consideration at the hands of Senators.

EXHIBIT A

OUR ATLANTIC PORTS—USE THEM

In past years Canada planned and developed her transportation facilities and her seaports so that she would be enabled to transport and ship the surplus of her grain crop overseas from her own ports. Today Canada's Atlantic seaports offer facilities equal in efficiency to any seaports of this continent. Millions of Canadian dollars have been spent in creating these transportation and shipping facilities. Canada's seaports are the property of the Canadian people and yet they are only being used to a fractional part of their capacity, while the great bulk of Canadian grains goes overseas from foreign ports.

MILLIONS OF INCOME

If Canada were to ship the annual surplus of her grain crop overseas through Canadian ports, vast sums of money would be saved to Canada. Her transportation facilities would increase their haulage, seaports would be busy, and every unit of public life would be benefited. The western Canada producer could market his grain on an orderly, 12-month basis; Canadian industries and merchants would benefit directly through the circulation of these millions of dollars; and thousands of workers in docks, railway yards, elevators, coal mines, and on trains would be given added opportunities to earn a livelihood.

Grain—Canada's major export—should find entry to the world's market through Canadian ports instead of through foreign ports.

Keep your transportation dollars in Canada!

Shipments of Canadian grain in 1930

	Bushels
Through United States ports.....	67,747,685
Through Canadian Atlantic ports.....	5,153,553

An all-Canadian route for Canada's grain.

(This advertisement is inserted by the Halifax Harbour Commissioners in the interests of an all-Canadian transportation policy.)

HELP CREATE YOUR OWN PURCHASING POWER!

If the wealth of transportation money invested each year in the shipping of Canadian goods through foreign ports were retained in Canada, it would lighten the taxes of all and give railway employees and dock workers permanent employment, thus enabling them to purchase made-in-Canada products. Canada has adequate transportation facilities of her own—why not use them?

During the past few years Canada's development has taken two distinct lines—transportation and manufacturing. Millions have been spent to create transportation and shipping facilities for Canada which would enable her to transport all of her own products and manufactured articles from their point of origin to Canada's seaports. Other millions of dollars have been spent in

developing these seaports until they are equal in efficiency to any seaport on the North American Continent.

These vast transportation facilities are the property of every Canadian citizen and are but partially used at the present time for the transporting of Canadian goods.

Canadian industrialists can help to create a far greater purchasing power in Canada by utilizing to a greater extent these transportation and shipping facilities for the handling of Canada's export trade.

It is as cheap to ship manufactured goods through these all-Canadian channels as it is to ship them through foreign ports—it is therefore to the interests of every Canadian manufacturer, importer, and exporter to make the fullest use possible of these highly developed and efficient Canadian transportation facilities in order that the demand for their goods may be increased by the added purchasing power which these transportation dollars bring.

Keep your transportation dollars in Canada!

(This advertisement is inserted by the Halifax Harbour Commissioners in the interests of an all-Canadian transportation policy.)

Mr. HATFIELD obtained the floor.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from West Virginia yield to the Senator from New York?

Mr. HATFIELD. I yield.

Mr. COPELAND. Mr. President, I shall not undertake today to say anything about the St. Lawrence waterway project. I intend doing so, if time permits, before the end of the session because of the speech made yesterday by the Senator from Wisconsin [Mr. LA FOLLETTE]. I did not hear it; I was out of the Chamber in attendance upon a meeting of the District of Columbia Committee, but I read the speech in the RECORD this morning. I was amazed at the uncalled-for insinuations and innuendoes contained in that speech, and, at the proper time, I intend to make appropriate reply.

LEWIS W. DOUGLAS

Mr. ASHURST. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Arizona?

Mr. HATFIELD. I yield.

Mr. ASHURST. Mr. President, the able Senator from Louisiana [Mr. LONG] in commencing his speech referred to Mr. Lewis W. Douglas, the Director of the Bureau of the Budget. The Senator from Louisiana did not impugn the integrity of Mr. Douglas, but said that their personal associations were cordial. The Senator from Louisiana then went on to lament the possibility that Mr. Douglas might at some future time be appointed to the office of Secretary of the Treasury.

Mr. President, I do not know that the remarks I am about to make will be welcomed, but I am certain that I should reply to the implication of the Senator from Louisiana.

Mr. Douglas, the Director of the Bureau of the Budget, was born in Arizona; he was nurtured, reared, and, in part, educated in Arizona. The name Douglas in Arizona is an honored name. I know, Mr. President, of no one who for courage, for devotion to the public welfare, for lofty ideals, and high enterprise excels Mr. Douglas. I have known him almost since the day, certainly since the month, of his birth. He has held positions of trust and honor in Arizona; he has been signally put to the test, and he was always upon the side of the public.

He was a member of the State legislature when certain power interests, that I shall not take the time to describe, sought to influence members of the legislature but were utterly unable to make any progress in respect to Mr. Douglas. He repudiated any attempt to approach him, and he established himself in the State as a young man of superb mental strength and great power of analysis.

I assure my friend from Louisiana that if there should be any change in the Secretaryship of the Treasury—and I do not know that any change is contemplated; I am not that closely in the confidences of the administration—no appointment could be made that would be better than that of Lewis W. Douglas.

Mr. NORRIS. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. ASHURST. Certainly.

Mr. NORRIS. It was not my intention to suggest anybody for the position of Secretary of the Treasury, but since that matter has been discussed by the Senator from Louisiana and an intimation regarding it has now been made by the Senator from Arizona, I should like to add just a sentence; and I do so without casting any reflection on Mr. Douglas, for he might make an excellent Secretary of the Treasury. The disclosures before the Banking and Currency Committee in its investigation of the Morgan Co. have shown that this partnership has been dealing out its favors to various friends, it is said, all over the United States—to prominent men, some in office and some out, who might get in later on—which favors would have a great deal of influence even if they never did get in public office. So far as I have read in the newspapers, no one of the great men to whom these benefits and favors of Morgan & Co. were extended, which, in reality, were the same as sending them so much money, it seems to me, pushed the crown aside except the great Democratic ex-candidate for the Presidency from Ohio of the name of Cox. It seems to me if the disclosures of this investigation would put a man out of office because he had accepted such favors then, for the same reason, the President might well put a man in who had refused to accept the favors, and, at least in that respect, was a perfect man.

Mr. ASHURST. Mr. President, I have no influence regarding the appointment of Cabinet members; but if I were President, I would appoint the Senator from Nebraska as my attorney general if I could not secure the services of the present Attorney General.

Mr. President, I arose to counteract and to challenge some of the inferences that may have been left with the Senate by the Senator from Louisiana. That Mr. Douglas, the Director of the Budget, has any connection with Mr. Morgan or any of the Morgan satellites, would be astonishing news to me, but even if Mr. Douglas had a direct monetary interest in any of Mr. Morgan's companies, Mr. Morgan would be utterly impotent and powerless to influence Mr. Douglas with respect to the performance of his public duties.

Mr. President, character still remains in America. We pay America a poor compliment and we pay the Senate a poor compliment by imagining and charging that everybody but ourselves is a crook.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. ASHURST. Certainly.

Mr. LONG. Does the Senator understand that I paid Mr. Douglas any such compliment?

Mr. ASHURST. At the beginning of my remarks I said that the Senator from Louisiana had frankly stated that he did not challenge the patriotism or the integrity of Mr. Douglas.

Mr. LONG. I want to make myself clear to the Senator by making this further statement: The Lord says, "Where your treasure is, there will your heart be also."

Mr. ASHURST. Quite true.

Mr. LONG. During 6,000 years or more that statement has never been disproven.

Mr. ASHURST. I knew that I could never finish my remarks without a quotation from Scripture by my learned friend from Louisiana; and since he is so facile in quoting Scripture, I would remind him that there is another injunction—"Thou shalt not bear false witness against thy neighbor." The Senator may not need that injunction, but it is wise to remember it as we go through this life.

Mr. President, the Senator from Louisiana, as was his right, criticized Mr. Douglas for some of his acts respecting the economy bill. I myself do not agree with Mr. Douglas, the Director of the Budget, in respect to some of his opinions on the economy bill. But because, forsooth, I do not

agree with my friend the Senator from Michigan [Mr. VANDENBERG] on some question, or because, forsooth, I do not agree with my friend the Senator from Nebraska [Mr. NORRIS], or my friend from Louisiana [Mr. LONG], I do not for a moment charge that they are influenced by anything other than what they believe to be the right or that they are not following the best lights as they see them.

I do not know that Mr. Lewis Douglas has any connection with or any interest in the Phelps Dodge Corporation. If he did have, it would not be an improper interest. When did it become an offense for a man, born and reared in Arizona, to become a holder of stock in the Arizona copper-mining industry, which is Arizona's prime enterprise and upon which industry—copper mining—the State must depend in large part to maintain a State government.

If it should be shown here that my learned friend from Michigan [Mr. VANDENBERG] owned some copper stock in Michigan's copper mines, he would be secure from my prejudices. If it should be shown that Mr. Douglas owned some stock in Arizona's copper mines, he likewise would be secure from my prejudices.

Mr. Douglas has lived a good life, and certainly he needs no defense at my hands. I predict for him a useful career in the public service. I read from the Congressional Directory:

Lewis William Douglas, Democrat, of Phoenix, Ariz., was born July 2, 1894, at Bisbee, Ariz.; graduated Amherst College, 1916; special course metallurgy and geology, Massachusetts Institute of Technology, 1916; attended first officers' training camp, Presidio, San Francisco; commissioned second lieutenant, Field Artillery; assigned Three hundred and forty-seventh Regiment, Field Artillery; promoted to first lieutenant, Field Artillery; served overseas July 19, 1918, to March 19, 1919; assistant, G-3 staff, Ninety-first Division; cited by General Pershing during Argonne offensive; decorated by Belgian Government during Lys-Escaut offensive. Instructor of history, Amherst College, 1920; taught chemistry at Hackley School for 6 months in 1921; 6 years' mining and business experience; served one term in Arizona Legislature. Married and has 2 sons and 1 daughter. Elected to the Seventieth, Seventy-first, Seventy-second, and Seventy-third Congresses.

One rainy morning some years ago, walking about the streets of London and at Waterloo Place, I came upon the statue of John Fox Burgoyne. I was interested when I read on the base of the statue the eloquent inscription from Shakespeare's *Coriolanus*:

How youngly he began to serve his country,
How long continued.

I believe when this young man, Mr. Douglas, shall have finished his career and ended mortal things that some biographer will use in writing of him these same words from Shakespeare's *Coriolanus*:

How youngly he began to serve his country,
How long continued.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I yield.

Mr. LONG. Mr. President, I am glad my friend from Arizona acquits me of having said anything that reflects on Mr. Douglas; I am glad he further acquits me of having said anything about Mr. Douglas that is not true; I am glad he gives me these acquittances in the speech which he makes, notwithstanding his warning to keep me from departing from these principles later.

But, Mr. President, I will use a statement that I have already used on the floor of the Senate that I learned away back in the country, "You do not have to eat a whole beef to tell when it is tainted." You cannot make a hen lay a duck's egg. We are told an old story—I believe it is from *Æsop's Fables*: Once upon a time a swan laid an egg in a hen's nest, and after the time it took the hen to hatch the swan's egg the swan came from the shell and grew up and acquired the same strut and walk and demeanor that might have been expected whether it had been hatched under a swan or under a hen.

Mr. President, the Lord has been mighty good to us. I do not like to quote Scripture; the Senator from Arizona knows it so much better than I do.

Mr. ASHURST. No; I do not.

Mr. LONG. The Lord gave us a few rules. He told us about the rich young man who went to the Savior and asked Him what he should do to have eternal life, and the Savior gave him the commandments. The rich young man said, "All these things have I kept from my youth up", and the Savior said, "Go and sell that thou hast and give to the poor, and thou shalt have treasure in heaven, and come and follow me", and the rich young man went away sorrowing. Then the Lord said:

"A rich man shall hardly enter into the kingdom of heaven. * * * It is easier for a camel to go through the eye of a needle, than for a rich man to enter into the kingdom of God." "Wherever your treasure is", said the Lord, "there is your heart also."

That might not be good philosophy, Mr. President, but the point I am making is that we have had disclosures with reference to Mr. Woodin to show his connections with and his receiving favoritism from the House of Morgan, his getting stock for \$20 that was worth at the time \$37, when he was a member of the Federal Reserve bank—not when he was entirely a private citizen. Do not get this thing confused. We have been hearing talk that Mr. Woodin was a private citizen at the time of this incident. He was connected with the Federal Reserve bank, right where he could do some good for whoever he wanted to help. I do not know whether it is wrong or not, but if the fact is that he got stock for \$20 when it was listed on the board at \$37, and if all he had to do was to sign his name to get the \$17,000 without taking a chance in the world, and if that kind of connection with Morgan is sufficient to cause him to retire, then I submit that we do not want to come back into the Morgan group and get another man of that type to succeed him.

I have shown from Moody's Manual that the Phelps Dodge interests are the Morgan interests. I have shown that to be the fact. I have shown that Thomas S. Lamont, the son of Thomas W. Lamont, the Morgan partner, is a member of that board. I have even shown the Douglas family through two generations has been connected in this thing and is still connected in it. I have shown that one of the members of the Douglas family sits on the board today and is on Morgan's preferred list, the same list that contains Mr. Woodin's name.

I do not say that these are sufficient reasons for Mr. Woodin's resignation. If the Senator from Arizona [Mr. ASHURST] does not think so, that is his business. He is as honest in his opinions as I am in mine. He may be right and I may be wrong, but I do not believe that we who are called upon to advise the President in performing our constitutional duty—because it is not only our duty to consent but it is our duty to advise the President—should be misled in the matter. It is the duty of Senators to advise the President, and the Senator from Arizona, having given his advice, it is our duty as I conceive it that we should tell the President: "Give us a chance to breathe here in this country. Do not tell us we cannot get out of the House of Morgan without going right back into it. Do not tell us we cannot be relieved. Give us a chance to breathe the breath of new life. Do not have us put under a dictatorship and under the ruling of one member of a family for a while, and when we escape from that put us under the wing of another member of the family. Give us a chance. That is all. We want the 120,000,000 American people to have a chance. We may not get much of a chance, but give us some kind of a chance."

Mr. ASHURST. Mr. President, will the Senator from West Virginia be good enough to yield further to me?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Arizona?

Mr. HATFIELD. I yield.

Mr. ASHURST. Mr. President, the Senator from Louisiana [Mr. LONG] presumes that Mr. Douglas has some connection with the Morgans. I know of no evidence to that effect. The Senator from Louisiana then presumes or assumes that because possibly some of Mr. Douglas' relatives may have had and may still have some connection with the house of Morgan that, therefore, Mr. Lewis Douglas is guilty of something. I ask the Senator from Louisiana if he wishes to be judged by the performance of some of his relatives? I think not. We do not judge men by their relatives. We do judge men by what they themselves are.

As so as to Lewis Douglas—no tainted breath has ever dimmed the bright mirror of his character. There exists no reason why the Senator from Louisiana should proceed to make insinuations that the Budget Director is tangled in some way with the House of Morgan.

Mr. LONG. Mr. President, who inherited the grandfather's property in the Phelps Dodge Corporation? Where did it go?

Mr. ASHURST. Dr. Douglas was in part the discoverer and developer of some copper mines in Arizona. Dr. Douglas was a man of high ideals. I speak the voice of Arizona when I say that Dr. Douglas' name is revered in Arizona.

Mr. LONG. I do not doubt it.

Mr. ASHURST. The fact that he happened by industry and prudence to make some money ought not to be counted against him. He used much of his wealth in a noble way.

Inasmuch as this controversy has drifted thus far, I desire to say that in my numerous campaigns in Arizona practically no political support worth while came to me from copper companies. Doubtless in one campaign they supported me, not that they like me most, but disliked me the least of the two candidates. I was the lesser of two evils.

I do not know to whom Dr. Douglas bequeathed his property or who were the beneficiaries of his will. His heirs, instead of squandering their inheritance, if any, in riotous living, began to work in a serious way to build the State and to help to pay the taxes and bear the burdens of government.

Mr. LONG. Mr. President, will the Senator from West Virginia yield to me just briefly?

Mr. HATFIELD. I yield.

Mr. LONG. I shall not prolong this debate. I did not get an answer to my question I asked the Senator from Arizona, so I assume he does not know who inherited Grandpa Douglas' Phelps Dodge property. I mean Grandpa Douglas who was the grandfather of Lewis Douglas. Who inherited the Phelps Dodge property? Did it fall in natural order? If so, where? If so, would it not fall or did some of it fall to Lewis Douglas?

Mr. ASHURST. Mr. President, will the Senator from West Virginia permit me to thank him for yielding so generously of his time and permitting me to consume so much of it?

Mr. HATFIELD. I am always glad to yield to the genial and able Senator from Arizona.

REMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, the Senator from West Virginia has been most generous in yielding. I should like to ask his permission to send to the desk and have read a short letter.

Mr. HATFIELD. I yield to the Senator from Montana for that purpose.

The PRESIDING OFFICER. The clerk will read the letter as requested.

The legislative clerk read as follows:

MAHANOEY CITY, PA., April 27, 1933.

President FRANKLIN D. ROOSEVELT,

Washington, D.C.

DEAR PRESIDENT: The people are with you. You can live in history as America's greatest man by pulling the country out of the depression.

I believe the Wheeler bill (S. 70) for the remonetization of silver will prove the most effective instrument to give a sound and adequate currency, and help the producer by an advance in commodity prices. I believe there should also be additional paper

money for quick restoration of wages and earnings—the Senator Thomas bill.

Better if the inflation bill were amended in the House to include the Wheeler bill for the remonetization of silver at \$1.29 an ounce, mandatory instead of discretionary.

The world needs a change in money standard; bimetalism will best serve the debtor and give a ray of hope to burdened industry. Let me again repeat the hope of the world lies in helping the debtor and the restoration of values. Bimetalism is the first offensive to rout the depression and usher in prosperity.

You lead on, all will follow. My memory runs to a stanza of Whittier's:

"All our hopes,
All our fears,
All our hopes of future years,
Are all with thee,
All with thee."

Respectfully yours,

MERCHANTS BANKING TRUST Co.,
D. F. GUINAN, President.

PRESIDENT ROOSEVELT'S POLICIES AND ACCOMPLISHMENTS

Mr. HATFIELD. Mr. President, beginning with March 9, 1933, legislative history in America has been made by the recommendation and dictation of the Chief Executive and not by Congress, initiating the policies and measures which have been adopted. I wish to deal briefly with the accomplishments up to this hour. By so doing, I hope to point out, not only to this body but to the Nation, that if the President of the United States pursues the course opened to him by Congress, at his request, we will be well on the way to new and strange methods in dealing with industries, public-service corporations, farming, and all the different elements which go to make up the complex order of our society.

Our governmental and national activities that started with the first administration and have continued down to the present time depended upon individual initiative; each individual had the opportunity to blaze his own path. This is a fundamental and basic principle which has directed the destiny of this Government, and which has heretofore controlled and guided us, and served as a protection to the individual citizen in his freedom of action, in either an individual or collective way in the embarkation of business activities by fostering and not fathering any business in which he or they might engage.

The new policy has been suggested by the President, and has been promptly ratified by the majority of the Congress, abdicating their responsibility with the hope no doubt that it would solve the problems of the depression which developed after the stock-market debacle in 1929, and that in its solution the rehabilitation of our industrial activities as well as the reemployment of 17,000,000 would speedily come. But instead, Mr. President, we may awaken to the fact that by our continued disregard of the Constitution of the United States we have created a government whose principles are foreign and unnatural and which will deny to the individual man his freedom of action and his freedom of living and working out his ideas, such as he enjoyed under the Government of his forefathers. While I shall deal in a passing way with the different ideas of paternal legislation up to the present time, some of which may be justified, the basis of my theme, however, will be upon the subject which is yet to be considered by this body, namely, the industrial recovery bill.

Mr. President, during the past 10 weeks there has come to public notice a group of college professors who, through the influence which they apparently have with the Chief Executive, are credited with proposals for legislation so different from what we have considered in the past that it is worth while for the Senate to pay some attention to these men, the attitude they take, and the legislative proposals they openly advocate.

During the discussion on the farm bill Members of the Senate became familiar with the name of Mordecai Ezekiel. The Congress was led to believe that unless the farm bill was passed almost immediately when presented, and practically in the identical form in which it was presented, we would do great harm to the farm population of America. We were asked to raise the prices of the necessities of life

to the pre-war average prevailing from 1909 to 1914 to the wage earners who are employed part time, and in many instances not employed at all. Nevertheless, the workers were refused an ample amount of protection in the way of an amendment offered that would have given them the same consideration that is given the farmer. It would have meant additional employment, as well as an increase in standard of wage of which they are sorely in need at the present time.

I understand that Mordecai Ezekiel, following an extensive study of Soviet Russian ideas on agriculture, succeeded in securing a place high in the councils of the old Farm Board. When the present administration junked the Farm Board he found refuge as one of the pioneer members of the "brain trust." The farm bill was signed by the Chief Executive on a Thursday, and I understand its principal prop, the processors' tax, was suspended on the following Sunday, due to the possible opposition of representatives of foreign nations.

In the enactment of the farm bill the Congress created a dictatorship in the person of the Chief Executive. Since the passage of the farm bill we have received from the White House a bill, sponsored by the Senator from New York [Mr. WAGNER], through which those who guide the activities of the White House seek to make the Chief Executive dictator of American industry.

Press reports indicate that even prior to any action of Congress on this proposed legislation President Roosevelt has designated Gen. Hugh Johnson to act for him as the dictator of American industry. I have no criticism to offer of the capacity, the ability, or the integrity of General Johnson. It is rather a strange coincidence, however, that General Johnson, as the dictator of American industry, has been closely associated with Mr. George Peek, of Illinois, whom the President has made virtual dictator of the American farm interests. I do not know Mr. Peek, and I have no criticism to offer of him. I simply want to call the attention of the Senate to the fact that neither of these gentlemen has ever held public office, nor have they ever been entrusted by a vote of the people with any task.

Mr. President, since the passage of the farm bill, carrying with it a new era in American legislation and the idea of dictatorship, which to my mind has been, is, and will be repugnant to every American, I have tried to inform myself as to the merits behind this revolutionary change in our legislative policy.

The presentation of drastic and untried methods of government emanating from the White House has come so fast that I question whether the American people yet realize how our Government machinery now operates or what dislocations are taking place which are most strange and unnatural and contrary to the policy heretofore adopted in severe epochal periods of depression, far more disastrous than this one.

I desire to call the attention of the Senate to an incident during the depression of 1837 which may be found in the files of old newspapers of that period:

At an auction sale in 1837 in Muskingum County, Ohio, horses, cows, and oxen brought but a dollar per head, and hogs 6½ cents each. At an auction sale in Pike County, Mo., 2 horses, 2 oxen, 5 cows, 2 steers, 1 calf, and 24 hogs brought \$3.75. The report shows that these animals were sold separately except the 24 hogs, which were sold in one lot, and brought 25 cents for the bunch.

Mr. President, I recite this historical fact to demonstrate that, comparatively speaking, the conditions which confront the American people today are no exception to those that confronted the generations of former days during the periodic visitations of depression. I know of no incident similar to that I have just read happening during the present depression.

A few days ago I secured from the Library of Congress a book entitled "The Industrial Discipline and the Governmental Acts", written by Prof. Rexford G. Tugwell.

Mr. President, it is common knowledge that Professor Tugwell and his associates, Professors Moley, Berle, Ezekiel, and others, seemingly have a controlling or at least a decided influence with the President of the United States; and through the influence of the White House they seek to force

through the Congress legislative proposals of a character far different from that which might well be termed the "American idea of voluntarism."

A perusal of the book written by Professor Tugwell, to which I have referred, justifies the belief that the writer and his associates openly advocate the socialization of industry through placing control of American industry and the American people therein engaged, in the hands of a body of intellectuals or technicians acting as agents for the people through designation of the White House.

Professor Tugwell's book takes to task the failure of American business and American labor. Yet, perhaps without realizing it, Tugwell describes a government that he considers "as near Utopia as human beings are ever likely to get", and in this description portrays the United States as the only nation in the world which could qualify with his suggestions of a modern Utopia.

Mr. President, what brought about this condition of Utopianism in America if it was not those stalwart men who blazed the path of civilization under the Stars and Stripes?

The "new deal", wherein control of the Government of the United States has been turned over to a group of college professors, with the taxing power and the right to engage in foreign alliances—which alliances, if consummated, would probably force America into European conflicts—turned over to those representing international bankers, is, to my mind, far different from what the people of the United States had reason to expect when they elected Gov. Franklin D. Roosevelt last November.

A number of inquiries have reached my office seeking information as to the necessity for this drastic change in governmental procedure without the Congress of the United States being ever consulted.

Some two weeks ago the President of the United States, in a radio address to the American people, in substance apologized for the dictatorial powers now possessed by the Chief Executive, and, at considerable length, suggested that the Chief Executive had had these dictatorial powers foisted upon him by the Congress of the United States, for whom he was merely acting as an agent.

The President's statement was most misleading and contrary to known and undisputed facts. So far as I can recall, since the inauguration of the "new deal" on March 4, no legislation has yet been enacted which was not drafted by the "brain trust" and sent to the Congress from the White House, with the possible exception of the Glass banking bill. All the legislation wherein the Congress has created a dictatorship over our monetary system, or is considering the creation of dictatorships, such as the dictatorship over American agriculture, the dictatorship over American industry, and the dictatorship over American railroads, has emanated from the White House.

Less than 2 weeks after explaining to the American people that the Congress had foisted dictatorial power upon the President, we find the President appointing a dictator over American industry before the bill creating such dictatorship has even been considered by either the House or the Senate.

Is it possible that the President wanted to assure American industry that he would not entrust this work, if Congress passed the bill, to the present Secretary of Labor?

Is it possible that the Chief Executive has come to the conclusion that his Secretary of Labor is incompetent or not fitted to handle this task?

Surely, Mr. President, such activities as are outlined come within the scope of the authority supposedly entrusted to the Department of Labor.

Is it possible that the humane interest which the Secretary of Labor has openly indicated in the unfortunate and exploited workers of the Southland made it necessary for the Roosevelt administration to place this dictatorial power in the hands of one more pliant and more subservient to political pressure?

This bill embodies a minimum-wage feature, providing that minimum wages be paid to all workers rendering the same type of service. This feature of the bill, if honestly administered in perhaps the only way legislatively possible,

will lift the heavy hands of those who, prior to the Civil War, believed in and practiced slavery, from continuing to exploit the colored workers of the Southern States.

Surely no honest administrator will permit workers, white or black, to work for lower wages in one locality than are paid for similar work in other localities.

True, provision is made in this bill authorizing the dictator to differentiate in the wages paid in different localities. Yet is it possible that those who, through the enactment of this legislation, hope to realize State socialization in America, will tolerate a condition wherein workers rendering the same service will accept lower wages in one locality than are paid for the same type of service in other localities?

The legislative sponsor of this bill, the Senator from New York [Mr. WAGNER], as well as the Chief Executive, represent a State wherein there is no discrimination practiced or permitted. Therefore, assuming that the views of the Chief Executive, as well as the views of the distinguished Senator from New York, prevail, it is fair to expect that at least one element of our people will substantially benefit through the enactment of this bill, if it is honestly administered.

Yet, despite the benefits which our colored workers will possibly derive from this legislation, I know of no effort on their part to sacrifice their present freedom to gain this doubtful benefit. Our colored people, long the victims of slavery, cherish their freedom too dearly to sell that which they possess for the mirage promised in this bill.

The press at times has referred to the "brain trust" and the influence of the "brain trust" on the activities of the White House. The press seemingly have yet to realize that the "brain trust", or the majority thereof, are professed Socialists who, realizing that the American people will not tolerate socialism in America, now operate under what is known as the "new Democracy" or the "new deal."

Whether such unbridled authority is justified is another consideration which will interest those members of the Senate who, blindly following the President, depending entirely upon his great sense of equity and justice, have made it possible for the President, responding to the cries of the National Economy League, to pauperize almost a million of those who in years gone by have bared their breasts to the enemy to support and to add to the prestige of the Stars and Stripes.

The President in a message to the Congress insisted that in order to balance the Budget we must deprive these needy veterans of \$400,000,000 each year. Since that legislation passed we have, through one act or another, created thousands of jobs—all outside the Civil Service—to be filled by political heelers, at salaries from \$12,000, paid to the man who supposedly supervises the work of the dollar-a-day army, down to those paid nominal wages who render honest service to the Government.

While we may be led to believe that the dollar-a-day army is supervised and led by civilians, the slightest investigation on the part of any Member of the Senate will prove that the United States Army is directing this work and is entitled to any credit therefor.

We have deprived thousands of needy veterans who served their country well, returning to their families with health shattered, even if bodily whole, of the aid they richly deserve in order that others might be enriched.

During the Hoover regime the Democratic congressional leaders were often loud in their criticism of the centralization of power, or the attempted usurpation by the Chief Executive of the power vested in the Congress under the Constitution. If such criticism was based upon principle and not on political expediency, why, then, are the critics of centralization of governmental control so silent now? Surely the present occupant of the White House has eliminated not only State lines but in addition thereto he has virtually taken upon himself, with the help of the Democrats who still look hungrily at the patronage table, all political and economic power in the United States.

Last November the people of the United States placed the Democratic Party—the party of State's rights—in complete control of all branches of our Government. In so doing the people had a right to assume that control of the Government would be vested in practical men, men well versed in statecraft and in American legislative procedure, men believing in upholding American traditions and the American Constitution. At no time in the history of the United States has legislation been proposed by the Chief Executive or been enacted which so openly and so flagrantly overrode State borders and centralized complete control of the Government of the United States in one individual.

The Democracy of the present day praises the attitude of Jefferson and Jackson, yet it is common knowledge that Jefferson and Jackson fought for local control, community and State, and opposed the centralization of government at Washington.

The "new deal", while it sings the praises of Jefferson and Jackson, is more in keeping with the preachings of Norman Thomas, Stalin, Mussolini, and Hitler.

The people of the United States last November had the opportunity of placing a Socialist in the White House, but the opposition of the American people to socialism is so strong that the presidential candidate of that party received only 2 percent of the total vote cast. While the American people were justified in thinking that as a result of the last national election they had definitely rejected socialism, they are now awakening to the fact that they were grossly misled. Since the 4th of March we have had proposed by the Chief Executive and the Congress has enacted more out-and-out socialistic legislation than has ever been enacted in a similar period by any major power other than Soviet Russia.

It is interesting to note that Socialism, Communism, Fascism, and Hitlerism predicate their success on the necessity of eliminating the influence of the so-called "middle class" of a people. In America, as in most other countries, the so-called "middle class" comprises not only the majority of the people but it is also from the middle class that the major improvements in living standards emanate. They form the backbone of every modern government, with the exception of Soviet Russia.

For me to say that the "new deal" is dependent for its success upon the elimination of the middle class of the American people by forcing those now comprising the middle class into industrial slavery or industrial servitude may seem harsh. Yet a careful reading of the catechism of the proponent of the "new deal" written and published since the inauguration of the present Chief Executive permits of no other belief.

It may be of interest to know from whence this "new deal" emanates. It may even interest the legislative leaders of the democracy to know from whence they may secure now an outline of the "new deal" which they will be expected to support, and how, through the working of the "new deal," the people of the United States are to be forced into socialism or a socialized society.

Socialism to be successful must have a dictator—a dictator in name and fact. Thus there is a common ground for socialism, communism, fascism, and Hitlerism. They are all predicated on the belief that through the manipulation of a few, or the hypnotic power of a few, the few can force the many to live as the few believe people should live.

An indication that the views of the so-called "brain trust" are incorporated in the recovery-of-industry section of the Wagner bill is found on page 3, line 1. Herein we find this language:

The President may establish an industrial planning and research agency.

Compare this authorization with the following citation found on page 100 of Professor Tugwell's book:

American institutions would necessarily require great changes in the system—such, for instance, as the establishment of organization for national planning and control.

We are told by the Senator from New York [Mr. WAGNER], legislative sponsor for the proposed recovery of industry

bill, that one of the prime purposes of the bill is the elimination of competition, and we find, on page 130 of Professor Tugwell's book, the following:

Whether they operate under single management or not, business men have learned that competition, in most of its forms, is wasteful and costly, and they are stubbornly opposed to its reestablishment.

Control and governmental direction of capital is one of the fundamentals underlying the operation of the "new deal." Control of capital is provided for in the dictatorial control of industry, the dictatorial control of agriculture, and the dictatorship to be established over the railroads.

Another purpose set forth in the recovery-of-industry section of the bill sponsored by the Senator from New York [Mr. WAGNER] is to control the investment of capital to prevent a surplus of production.

Again we find the influence of the so-called "brain trust", as set forth in the book of Professor Tugwell, where, on page 136, we find the following:

Scarcely an industry but possesses capital equipment which, if it were used continuously, could produce many more goods than in any single year it does produce. Every industry has its own surplus problem. But what this means is that we have permitted capital investments of certain kinds to outrun the possibility of market absorption at the price which must be charged. * * * A better-regulated flow of funds into industry which could use capital effectively and continuously might correct the difficulty. But how shall we achieve such regulation so long as we insist on competition, on voluntarism, and on the sacredness of the right of each to do as he sees fit with the property to which he holds the title?

What will happen to the individual initiative of the millions of our people who through self-sacrifice on their part have toiled long years in an industry in the hope that their knowledge or their skill would soon result in promotion which would permit of better living conditions for themselves and their families?

What incentive is left to the many thousands of young Americans still in school or college if the Congress of the United States is to socialize American industry and virtually place a bar against the elevation of young America to profitable employment and the use of the talents developed through years of study in school or college? What would have happened to the genius of Edison, of Marconi, of the Wright brothers, to name but a few, had such legislation been in force in their day?

We are told that this socialization of industry has the approval and support of the United States Chamber of Commerce and of the various manufacturers' trade associations. We are told that manufacturers are willing to pay this price in order that they be permitted to set aside the provisions of the Sherman Antitrust Act and the Clayton Act.

However, personally I believe that manufacturers have temporarily been blinded by another presumed fact, that is, that there will be no new developments with which present-day manufacturers will have to compete. Consequently those who now possess wealth in the form of control of industry will be guaranteed profits, which, of late years, they have not received.

From whence will these profits come? There is but one source, and that is the general public. Therefore, the general public, or the consumers of our country, through the action of the Congress of the United States, inspired and directed by the Chief Executive, will be bled white that owners of industry may temporarily prosper. Again we come to the well-known claim of the Socialist and the Communist.

In order to make such un-American doctrines prevail in America, it is essential that the workers and the farmers be arrayed against the property owners. Two years hence, when the Government will supposedly lift its heavy hand from the control of American industry, those who would socialize America will be able to point to the control which property owners presumably had over the Congress of the United States; they will be able to point to the guaranteed profits in the form of dividends or improved asset value of large and controlling plants in various American industries;

they will be able to point to the development of trusts such as America never before witnessed.

During the past 40 days the securities of the key American industries have increased in quoted value many millions of dollars. The quoted value of some securities have increased more than 100 percent without the physical property or the balance sheets of such concerns being much different from what they were prior to the inauguration of the "New Deal."

Who is responsible for the rigging of the market, may I inquire? The answer is evident to those who will visualize the results of the enactment of the legislation proposed by the Chief Executive, acting on the inspiration of what is known as the "brain trust."

Bankers and speculators, some of whom may be more conversant than others with the plans of those now in control of the Government, to my mind, are gambling that with guaranteed profits to the few, through the exploitation of the many, they will be able to unload their holdings on the dear public, at a later date, with tremendous enrichment to themselves.

These are the problems, Mr. President, to which we should direct our attention, and not to the problem which may grow out of someone who, perchance, had an opportunity to purchase stock through some banking house, which he did purchase, and which it was his privilege to do, so long as the investment was not tainted with corruption and bribery.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER (Mr. Dickinson in the chair). Does the Senator from West Virginia yield to the Senator from Illinois?

Mr. HATFIELD. I am always glad to yield to my good friend the distinguished Senator from Illinois.

Mr. LEWIS. I appreciate the courtesy of the eminent Senator representing, in part, the State of West Virginia; but knowing, as I do know, him to be a man of practical thought and much reflection, he having defined what he feels the present relations to the country of the Government under the present administration, and then having referred to what appears to be a rising prosperity and to multiplying advantages from what may be called the stock market, may I ask the able Senator if the methods of government to which he has alluded have not produced this result and thus brought again the suggestion of prosperity where before only universal depression prevailed? What else, does the able Senator say, has caused the increase of prices and given this new impetus to industry?

Mr. HATFIELD. Mr. President, I do not think there is any question but that the cause is the legislation enacted or the legislation projected; but the point that I am trying to make is that this prosperity has begun at the wrong place—the stock market. The increase in stock prices is not based on an increased business activity of those industries represented by the stock. It did not begin with an increase in the speed of the turning wheels of industry throughout the length and breadth of this land; it did not begin with the coal miner, who is walking the highways today begging for bread and looking for work. The same condition prevails today in the industrial plants of America that prevailed, generally speaking, some time before the recent legislation was enacted into law.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I should be very glad to yield to the Senator from Ohio.

Mr. FESS. I think there cannot be any doubt that the increase in prices of certain articles, including industrial stocks—

Mr. LEWIS. Mr. President, will the Senator please speak a little louder? I should like to hear what he is saying.

Mr. FESS. My observation comes from the suggestion of the Senator from Illinois. I said I did not think there can be any doubt in the mind of anyone that there is a better feeling in the country, a feeling of greater confidence which has stimulated psychologically an increase in the prices of

commodities, including industrial stocks; but the measure of whether there is any increase of wealth is to be determined by whether there is any increase in employment or any decrease in unemployment. There can be no doubt that there has been a constant decrease in employment, or that unemployment has continued to grow greater. I repeat that there is a better feeling and a hope that because of the action at the White House there is going to be a recovery; but unless we can find some way by which we can provide employment for a portion of the unemployed the improvement is purely psychological and must have a fatal effect in time to come, which will not be far removed.

The increase of prices in the stock market cannot be a barometer to indicate whether there is an increase in prosperity, for that is a gambling place which is operated on the basis of hope; and unless there is some assurance that industry is reemploying labor the improvement is purely artificial, as the Senator from Illinois must know. I am fearful that we will face a very serious problem when it comes to the financing of the obligations of the Government that are soon to mature. That is when we will find whether or not there is any prosperity here.

Mr. HATFIELD. Mr. President, I am truly glad even to think that there is soon to be a recovery as forecast by some. I am not complaining about the better feeling that exists among the rank and file of the American people or the support that is being given the policies of the President. What I am complaining about is the strange and un-American methods of approach, which are foreign to the policy that has heretofore been applied in working out a solution of industrial problems growing out of debacles that have plagued the American people in the past. I am delivering this address not as one of censure or criticism but of admonition that we may not depart from that broad, beaten path which has given to the average American more comfort, more protection, and more independence than has been enjoyed by the people of any other nation in the annals of history.

Mr. President, rugged Americanism—the type of Americanism that built a Nation out of the wilderness—was developed by voluntary effort and the willingness for self-sacrifice on the part of our hardy pioneers.

No governmental agency settled our Western States, or built or developed our railroads, our industries, or the pioneering spirit of the American people, which alone has made America great.

Despite the present world-wide depression, even those, like Professor Tugwell, who are using the present emergency to put over their program of socialized industry, admit—and I quote from page 77 of Tugwell's book—

Regulation may be a prelude to public ownership; but the nature of our traditions makes it likely that we will try it pretty thoroughly before we go on to socialization in any complete sense.

[At this point a message was received from the House of Representatives by Mr. Chaffee, one of its clerks, which appears under the appropriate heading.]

Mr. LEWIS. Mr. President, at this point, feeling that I will not take the Senator from West Virginia too far from his text, I rise, with his permission, to address myself to the observations of the distinguished Senator from Ohio [Mr. FESS].

May I say that I was impressed with the thought of the Senator from Ohio, partly replying to my interrogatory to the Senator from West Virginia as to what he would attribute what appeared to be the present increase in employment and what also appears to be a trend in the direction of prosperity. The able Senator from Ohio indicates that, while it is true that there is the appearance of a prosperity in the way of a rise in prices, in the general market for securities, and in the general atmosphere of hope in the structure of what we call the business world, still the able Senator joins my eminent friend from West Virginia, the orator addressing the Senate, in the suggestion that, with all this, he cannot find consolation, nor does he see anything that will secure prosperity. If I understand the able Senator,

the patient was about to die under the previous doctor; it was evident that life was ebbing away and the ceremonial processes of the funeral were upon the eve of undertaking. A new doctor has come in, and under the treatment of the newer one something has transpired by which the patient seems to rise, get to his feet, take on new life, dismiss his illness, and assume what appears to be the promise of permanent health; but because it was not done and secured under the previous prescriptions of the doctor who has been dismissed, the health returning to the patient and new life afforded him should not be regarded as regular, permanent, nor profitable, if I understand the able Senator. Therefore, I must say that I am not able to concur in the theory that the success which we are enjoying, the development the able Senator from West Virginia discloses can be charged to anything else, if it is to be credited, than the action of the Government itself and the confidence of the American people in the revival through the instrumentalities put into effect by the President and his associates.

If this be not true I ask both eminent Senators, the orator from West Virginia and the eminent philosophic Senator from Ohio, how and in what other way would prosperity, or any evidence of it, come to our country than in the very manner which is now being enjoyed?

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. It is far-fetched for the Senator from Ohio to reply to the doctor's analogy when there is a physician now on the floor of the Senate—

Mr. LEWIS. Of great eminence and ability.

Mr. FESS. Yes; and I should prefer that he would deal with that analogy. My suggestion would be that when the patient is ill sometimes a stimulant will give him the promise of life for a little while, but when the effect of the stimulant has worn off he is in a poorer condition than he was before he got drunk. That is the situation we are in today. The Senator from Illinois will be one of the first men to recognize this axiomatic statement, that when the Government itself proposes to spend unlimited money, that is a promise of money going into circulation. That of itself will stimulate the market and offers a splendid opportunity for the gambler on the stock exchange to make money. That is what is being done now. Let us wait for 6 months and then see the effect of the sort of legislation which we are now enacting and the policies which we are now pursuing. That will be a better time than today.

Mr. HATFIELD. Mr. President, I think the eminent Senator from Ohio is possibly a better doctor of literature and philosophy than I am of medicine. My conclusion as to the situation which confronts the United States today is that the American people are looking, hoping, and praying, and no one more fervently than I, for restitution to come, but I cannot make up my mind that this restitution can come and be stabilized unless it be upon a sound constructive basis. I question the basis which has been adopted and which is threatened to be applied at the present time by the present administration.

Here again it will be noted that Professor Tugwell advocates a deferred socialization as necessary, due to the nature of our traditions, but as a prelude to public ownership we should have rigid regulation. Is it possible for the Congress to legalize any more drastic regulation than is called for under the recovery-of-industry section of the Wagner bill or more rigid regulation than is called for in the railroad control bill or more rigid regulation than was enacted in the dictatorial control of American agriculture?

Mr. President, I have no hesitancy in stating that, to my mind, those who are temporarily dominating the policies of the Roosevelt administration are bent on the socialization of our industries and of our country. Whether or not the President will go with them remains to be seen. I say temporarily, believing that the Democratic leaders, having but one view at present, and that of securing as much at the political pie counter as possible, will soon awaken to the fact

that they are competing for continued control of their own party with the modern-day Socialists, some of whom are anchored close to the Chief Executive at the White House.

Every Member of the Congress has given his pledge to uphold the Constitution. I will admit that there is considerable opposition to some recent changes in the Constitution, but the great majority of the Congress and of the American people believe in the principle of government as embodied in that Constitution.

Yet I have no hesitancy in pointing out to the Senate that we will soon be asked, in the name of emergency, to enact a bill through which we will, or, at least, those who vote for it will, most emphatically destroy the effectiveness of the Constitution of the United States.

It remains to be seen whether Professor Tugwell is justified in his surmise that the Supreme Court, because of the importance of the period, or due to the emergency, will be forced to approve a socialistic dictum, or will they, as the Court has always heretofore done, continue to uphold the Constitution?

In so doing the Democratic Party will again be complying with the principles of government as outlined for the "brain trust" by Professor Tugwell. The following quotation, page 192 of Tugwell's book, will interest those who still retain faith in the Constitution of the United States:

Those who wish for some control over industry and who are plagued with the obvious effectiveness of State powers, are reduced to appealing from the restricted view of commerce as commerce to a view of it as industry. When, on a few occasions, such attempts have been embodied in legislation, another clause of the Constitution—the fifth amendment—has invariably been invoked in rebuttal. That clause says that property cannot be taken without the process of law, and has served to obstruct, most effectively, attempts to extend Federal controls to industry.

A further indication of the influence of the "brain trust" and its expressed intention of forcing the American people into socialism, as set forth in Professor Tugwell's book and as outlined in the so-called "Wagner bill", is found on page 133. The recovery of industry bill places control of industry temporarily in the manufacturers' trade associations. Professor Tugwell, on page 133, says:

The industrial world belongs to the business man, not to the workers; and since it belongs to them, the business men make its rules. The workers have a veto power, which is more or less effective; but it is only that and is not transformed into a positive force in the direction of affairs. * * * Organized labor has always consented to this entirely uncreative subjection. There are almost no instances, since the industrial revolution, in which, as a group, it has been able to dictate the policies and to determine the forms of economic life. The small business man of the eighteenth century has evolved into the corporation of the twentieth century; but, essentially, there is no change to record among the unions. They even, many of them, retain their craft organization. This is an age of unprecedented integration.

It is evident to every clear-thinking American that the enactment of the recovery-of-industry section of the Wagner bill will set up an American dictatorship of industry.

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. The Senator has been reading from Professor Tugwell's book.

Mr. HATFIELD. That is true.

Mr. FESS. Has the Senator refreshed his mind with reference to the principles of Karl Marx since he has been examining the movement for industrial control?

Mr. HATFIELD. Mr. President, in response to the question of the distinguished Senator from Ohio, Karl Marx, after reading the radicalism of Professor Tugwell, would, were he living, necessarily be compelled to apologize for his conservatism to Professor Tugwell.

Mr. FESS. The reason why I asked the question was that in examining the proposal, and I have read it carefully and studied it through and through, I reach the conclusion that it goes farther than the principles of Karl Marx.

Mr. HATFIELD. There is no question about that, and I propose to have published in the RECORD at the conclusion of my remarks a section of the book that was copied from the works of Karl Marx.

The apparent lack of interest in or consideration for the Constitution, which has served the United States so well for the past 145 years, is manifest to everyone who has seen the evident purpose of the present administration to usurp the duties delegated to the Congress. Under the guise of emergency we find that the Chief Executive, contrary to party pledges, has debased our currency; seeks to establish a dictatorship over American agriculture and American industry, patterned, in part at least, after the Soviet idea; seeks, in concert with foreign nations, to destroy our industry and deny employment opportunities to our workers by reducing our tariff rates; seeks to enter into entangling alliances with foreign governments through which will be pledged the finances and the man power of our country to meddle into the thousand-year-old feuds of Europeans and Asiatics.

Well might we ask why this strange and uncalled-for procedure after the experiences of our entry into the conflict of 1914 to 1918.

Is it possible that any sane person, knowing the American attitude toward Europeans who have no respect for their word or their bond, and who have indicated their ingratitude, would attempt to beguile foreign nations into the belief that the finances and man power of America will again enter into the feuds existing between foreign nations at a cost so stupendous to the American people that it has brought suffering, privation—yes, death, in hundreds of thousands of cases to the lifeblood of America for the past 19 years?

Again we find the answer to this new and strange attitude toward the Constitution of the founders of our country on pages 77 and 78 of Professor Tugwell's book, wherein he writes:

Any people which must be governed according to the written codes of an instrument which defines the spheres of individual and group, State and Federal, action, must expect to suffer from the constant maladjustment of progress. A life which changes and a constitution for governance which does not must always raise questions which are difficult for solution. The changing of our Constitution is not easy; it is easier to get new interpretations of it, which alter the possibilities of action, from the courts which are intrusted with the scrutiny of legislative acts.

Mr. President, Professor Tugwell in these words definitely calls for the elimination of our Constitution. Despite the fact that our Constitution has stood the test of time and has protected the humblest of our citizenry, according to Professor Tugwell it is now in the way. To bring forth the new deal or industrial democracy we must, I assume, junk the Constitution; but, how? Professor Tugwell says it is not easy to change our Constitution, but he suggests—

Courts, therefore, which cared more that the economic life should freely develop new forms, * * * could clear the way for advance.

Does this mean that new appointees to the Supreme Court will be judged on the basis of their willingness to eliminate constitutional restrictions?

Continuing, Professor Tugwell writes:

It is their duty to determine whether specific legislative acts are consonant with its principles. Courts, therefore, which cared more that the economic life should freely develop new forms, and that the necessary corollary kinds of control should develop rapidly, than that the letter of an instrument which is written in preindustrial terms should be preserved, could clear the way for advance. But our courts have not, until recently, provided confidence in their determination to accept the civilizing processes of industry. Jurists seem to guard the letter as more precious than the spirit, and usually prefer the old competition to the new control. Our social facilities are provided, but in an unplanned, competitive, and costly way.

The proponents of this modern way of achieving socialism, knowing well the power of public opinion once it is aroused, do not hesitate to offer manufacturers and those in possession of wealth an opportunity of temporarily greater security for such wealth.

The recovery-of-industry section of the so-called "Wagner bill" temporarily insures to those who at present possess property rights not only security but added profits. In so doing, they preempt the field of industry and deny to the fertile mind or the skilled hand of the many any opportunity of rising beyond their present status. This suggestion might interest the senior Senator from Utah [Mr. KING],

who has indicated his hostility to the outlawing by legislation of competition in industry.

Mr. President, I have the conviction that it would be to the interest of every individual to see to it that each and every industry under the American flag shall continue to have the proper competition; and it is a well-known fact that when we enter into the field of regulation by commissions the American people will pay the price. Yet while temporarily insuring added profits, as I have said, this program of "the new deal", as outlined in Professor Tugwell's book, insures in time the demoralization of the very industries it temporarily seeks to enhance in value.

We find on page 156 of Professor Tugwell's book the following:

We have already said that to obtain a straight, unwasted stream of effort, it is necessary to have one dominant group. But any dominant group will, just as the business men did, pursue a single interest. If we repudiate the capitalist-entrepreneur group as a possibility—though this group still holds the greatest power—for the creation of a better future, there are only two really inclusive and powerful groups left—the workers and the technicians.

The quotation I have just read is positive. It is honest. The writer does not conceal his thoughts or his ideas.

The business man, according to Professor Tugwell, referred to as "the capitalist-entrepreneur", should be ousted from control of American industry, and control of American industry should be turned over to "the workers and the technicians." Professor Tugwell qualifies as one of the latter.

Continuing to quote from this book, we find Professor Tugwell stressing the point that—

They (the workers) have the best chance of usurping the dictatorship which now belongs to business men.

We find that Professor Tugwell is aware of the opposition of the American people to socialism, for, on page 192, he writes:

For one thing, the Democratic idea has a powerful traditional appeal to us, and the logic of applying it in industrial as well as political affairs is quite obvious.

I trust the obvious intent or recommendation herein contained will not go unnoticed by those interested in political as well as industrial affairs. As I read it, Professor Tugwell and those associated with him believe that the successful way to implant socialism in free America is to do so under the guise of "industrial democracy", using their present control of democracy, with its traditional appeal to many.

Continuing to quote from Professor Tugwell, we find that—

This alone would persuade many to its acceptance.

Acceptance of what, other than socialism, even though it be labeled "industrial democracy"?

Professor Tugwell refers to the combination of workers and technicians, and then says:

The difficulties with the combination of labor are obvious. As a group, it (labor) includes numerically a greater number of individuals than either of the other two; but for control the qualifications are lacking. Then, too, size makes it unwieldy and inflexible. Also, its present organization and leadership are not such as would justify any great confidence in enlightened action.

Professor Tugwell, a believer in soviet ideas, gives vent to his feelings of opposition to the present leadership of the American Federation of Labor and the railroad brotherhoods because of their inflexible opposition to recognition of Soviet Russia, and their inflexible demand for the continuation of Americanism and for voluntarism.

In closing this part of his peroration, Professor Tugwell writes:

But all these difficulties are less than those which disqualify the business men who have had their chance and have shown their inability to function socially.

The quotation I have just cited indicates that Professor Tugwell finds American industrial leaders at least incompetent; and, continuing, we find that Professor Tugwell holds the same relative opinion of those intrusted by the workers with the leadership of American labor organizations.

Professor Tugwell writes, on page 157:

It has already been suggested that a gradual growth of industrial democracy might reconstruct the labor movement. It might, by growing in this medium, become relevant to industrial structure, as it is not now; it might, by new organization, engage a different type of leadership; it might even, as has also been suggested, develop a working faith in expertness and learn to protect the principle of qualification.

Possibly, under the domination of the new deal and the leadership which the White House will place in control of American workers, Professor Tugwell hopes to establish a basis for a new labor movement and a union with the technician, as we find Professor Tugwell predicting:

This would be most promising of all, for this really involves a union of the technical and labor group. Industrial organization on this basis would be fundamentally controlled in the interest of the greatest number, but would attain flexibility, initiative, and qualified ability by keeping in the foreground the necessity for knowledge and skill in actual operation.

If this does not portray industrial servitude for manual workers, what, then, is it?

If it is possible to secure such a union of workers and technicians, we find Professor Tugwell asserting:

A program based on this control idea could be supported with some confidence in its good effects, as well as some confidence in its coming into being. And both these are important tests for any proposed program to meet.

Mr. President, personally I believe that the remedy proposed by Professor Tugwell, which I have reason to believe is concurred in by the other members of the "brain trust", and which we find incorporated in title I of the bill sponsored by the genial and able Senator from New York, is an indication of what the American people may expect when the wheels of the new deal commence to roll.

To my mind, the proposals contained in the farm bill, as well as the remedies outlined in title I of the so-called "Wagner bill", place the Federal Government well on the road to socialism. There are some who, placing political expediency and desire for political favor ahead of principle, may contend I am wrong. To any who may question that the legislation we are asked to enact places America well on the road to socialism it might be well to quote the meaning of the word "socialism" as found on page 1987 of Webster's New International Dictionary of the English Language, printed in 1930. This dictionary defines the word "socialism" as meaning the following:

Political and economic theory of social reorganization, the essential feature of which is governmental control of economic activities, to the end that competition shall give way to cooperation, and that the opportunities of life and the rewards of labor shall be equitably apportioned.

Mr. President, the American people have passed on the question of whether or not they would intrust control of our National Government to the hands of those who honestly and freely preach socialism.

The Socialists last November received some 2 percent of the total vote cast.

However, those advising the present Chief Executive, realizing that he was elected as a Democrat and knowing also the attitude of the American people toward socialism, trying to be true to their own belief, namely, socialism, and having to cloud their activities will probably call their type of socialism the "new deal" or "industrial democracy."

As an evidence of the truth of what I have just said, I might call the attention of the Senate to the following quotation found on page 157 of Professor Tugwell's book:

In a former chapter, the argument seemed to conclude that industrial democracy held considerable promise, and it would not seem altogether unlikely as a possible development. For one thing, the Democratic idea has a powerful traditional appeal to us, and the logic of applying it in industrial as well as political affairs is quite obvious. This alone would persuade many to its acceptance.

In the quotation I have herein given, you will note that Professor Tugwell advocates that the Socialists in America who wish to carry out their program change their name to industrial democracy. To indicate the close workings of those in control of the Socialist Party of America and the

"brain trust" it might be well to bear in mind that the Socialist leaders of America met in Washington on May 9 and listened to an address of their presidential candidate, Norman Thomas, in which Thomas declared it was necessary to change the party's name if they were to be successful, but while he advocated a change in name he did not advocate any change in principles.

Mr. President, I sincerely hope and trust that the Members of the Senate, elected to represent the Republican or the Democratic viewpoint, will give some serious consideration to the evident attempt now being made to force socialism on the American people under the guise of industrial democracy, taking advantage of this period of depression, and as a matter of expediency on the part of those who lack the courage to openly tell the American people that they in reality believe in Socialism, and not in Republicanism or Democracy.

Mr. President, I ask unanimous consent to have printed at the conclusion of my address a chapter from a book entitled "The Essentials of Karl Marx," headed "Position of the Communists in Relation to the Various Existing Opposition Parties."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

POSITION OF THE COMMUNISTS IN RELATION TO THE VARIOUS
EXISTING OPPOSITION PARTIES

Section II has made clear the relations of the Communists to the existing working class parties, such as the Chartists in England and the Agrarian Reformers in America.

The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present they also represent and take care of the future of that movement.

In France the Communists ally themselves with the Social-Democrats against the conservative and radical bourgeoisie, reserving, however, the right to take up a critical position in regard to phrases and illusions traditionally handed down from the great Revolution.

In Switzerland they support the Radicals, without losing sight of the fact that this party consists of antagonistic elements, partly of Democratic Socialists, in the French sense, partly of radical bourgeois.

In Poland they support the party that insists on an agrarian revolution, as the prime condition for national emancipation, that party which fomented the insurrection of Cracow in 1846.

In Germany they fight side by side with the bourgeoisie whenever it acts in a revolutionary way, against the absolute monarchy, the feudal, squirearchy, and the petty bourgeoisie.

But they never cease for a single instant to instill into the working class the clearest possible recognition of the hostile antagonism between bourgeoisie and proletariat, in order that the German workers may straightway use, as so many weapons against the bourgeoisie, the social and political conditions that the bourgeoisie must necessarily introduce along with its supremacy, and in order that, after the fall of the reactionary classes in Germany, the fight against the bourgeoisie itself may immediately begin.

The Communists turn their attention chiefly to Germany, because that country is on the eve of a bourgeois revolution that is bound to be carried out under more advanced conditions of European civilization, and with a more developed proletariat than that of England was in the seventeenth and of France in the eighteenth century, and because the bourgeois revolution in Germany will be but the prelude to an immediately following proletarian revolution.

In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things.

In all these movements they bring to the front as the leading question in each, the property question, no matter what its degree of development at the time.

Finally, they labor everywhere for the union and agreement of the democratic parties of all countries.

The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.

Workingmen of all countries, unite!

LOANS BY RECONSTRUCTION FINANCE CORPORATION TO CLOSED
BUILDING-AND-LOAN ASSOCIATIONS

Mr. DILL. Mr. President, yesterday I entered a motion to reconsider the vote by which Senate bill 1648, to amend the Reconstruction Finance Corporation Act, as amended, to provide for loans to closed building and loan associations, introduced by the junior Senator from Ohio [Mr. BULKLEY], was passed. I did that because I was not on the floor of

the Senate when the bill was passed, and in reading it through I discovered that no mention had been made of savings and loan associations or banks which might be closed, and it seemed to me that there was no defense to allowing building and loan associations which are closed to borrow from the Reconstruction Finance Corporation and not allow savings and loan associations to do so. For that reason I entered a motion to reconsider. The Senator from Ohio is anxious to have the matter acted upon.

Mr. McKELLAR. Mr. President, will it take any length of time?

Mr. DILL. I think not. The Senator from Ohio has an explanation of his view of it.

Mr. McKELLAR. We have been 2 days trying to get some action on the independent offices appropriation bill, and not a line of it has been read. I had hoped that we could go ahead with that now.

Mr. BULKLEY. Mr. President, I think this will take but a few minutes. I do not think there is any controversy.

Mr. McKELLAR. With that understanding, I should be willing to allow the matter to be taken up.

Mr. BYRNES. Mr. President, I yield to the Senator from Washington.

Mr. DILL. I wanted the Senator from Ohio to have an opportunity to say a word.

Mr. BULKLEY. Mr. President, I think I can safely assure the Senator from Washington [Mr. DILL] that it is not necessary to have the words "savings and loan associations" included in this bill.

The words "savings and loan associations" did not appear in the original Reconstruction Finance Corporation Act, yet loans were made to savings and loan associations in the State of Washington and in my State under the general generic term "building-and-loan associations." Loans were made in Louisiana to homestead associations, also under the general generic term of "building-and-loan associations." The interpretation is well established, I am advised by the legal department of the Reconstruction Finance Corporation. Those loans having been made under that language in the original act, similar loans would undoubtedly be made to closed savings and loan associations under the language of Senate bill 1648.

Mr. DILL. Mr. President, as I understand, the Senator does not want the amendment, adding the words "savings and loan associations", in the measure?

Mr. BULKLEY. I would rather not have those words inserted, for the reason that I think that raising the question at this time would only add confusion to the situation. Loans have already been made to savings and loan associations under authority to lend to building and loan associations. Amending this act now would be to repudiate the interpretation with which the Senator and I are entirely in accord.

Mr. DILL. Mr. President, my reason for feeling concerned about this is that last year, on my own suggestion, the law was amended to include savings banks, and I thought the language then inserted would take care of savings and loan associations, but I found that it did not. That is why I am so fearful. But if the Senator has consulted with the legal department, and they have assured him that the language "building-and-loan associations" does include savings and loan associations, and that they have been making loans with that understanding, I do not want to press the reconsideration, and I am willing to withdraw the motion.

Mr. BULKLEY. That is exactly the assurance I have from counsel for the Reconstruction Finance Corporation.

Mr. DILL. Then, Mr. President, I ask unanimous consent to withdraw the motion to reconsider.

The PRESIDING OFFICER (Mr. COOLIDGE in the chair). Is there objection? The Chair hears none, and the motion is withdrawn.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 5389) making appropriations for the Executive Office and

sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. BYRNES. Mr. President, I ask that the formal reading of the bill may be dispensed with and that the bill be read for amendment, committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will report the first amendment.

The first amendment of the Committee on Appropriations was, under the heading "American Battle Monuments Commission", on page 4, line 23, after the word "periodicals", to strike out "\$112,000" and insert "\$129,000", so as to read:

For every expenditure requisite for or incident to the work of the American Battle Monuments Commission authorized by the act entitled "An act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (U.S.C., title 36, secs. 121-133), including the acquisition of land or interest in land in foreign countries for carrying out the purposes of said act without submission to the Attorney General of the United States under the provisions of section 355 of the Revised Statutes (U.S.C., title 34, sec. 520; title 40, sec. 255); the maintenance of memorials erected by the Commission until the Secretary of War is advised of their completion and assumes their maintenance; employment of personal services in the District of Columbia and elsewhere; traveling expenses; the establishment of offices and the rent of office space in foreign countries; the maintenance, repair, and operation of motor-propelled passenger-carrying vehicles which may be furnished to the Commission by other departments of the Government or acquired by purchase; printing, binding, engraving, lithographing, photographing, and typewriting, including the publication of information concerning the American activities, battlefields, memorials, and cemeteries in Europe; the purchase of maps, textbooks, newspapers, periodicals, \$129,000, to be immediately available and to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Interstate Commerce Commission, salaries and expenses", on page 23, line 24, before the word "of", to strike out "\$2,250,000" and insert "\$2,400,000"; and on page 24, line 2, after the figures "\$50,000" and the semicolon, to insert "not exceeding \$150,000 for holding field hearings", so as to read:

General administrative expenses: For 11 commissioners, secretary, and for all other authorized expenditures necessary in the execution of laws to regulate commerce, including 1 chief counsel, 1 director of finance, and 1 director of traffic at \$10,000 each per annum, traveling expenses, and contract stenographic reporting services, \$2,400,000, of which amount not to exceed \$2,155,000 may be expended for personal services in the District of Columbia, exclusive of special counsel, for which the expenditure shall not exceed \$50,000; not exceeding \$150,000 for holding field hearings; not exceeding \$3,000 for purchase and exchange of necessary books, reports, and periodicals; not exceeding \$100 in the open market for the purchase of office furniture similar in class or kind to that listed in the general supply schedule: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission.

The amendment was agreed to.

The next amendment was, on page 28, at the end of line 8, to change the total appropriation for the Interstate Commerce Commission from \$5,040,000 to \$5,190,000.

The amendment was agreed to.

The next amendment was, under the heading "Supreme Court Building Commission", on page 35, line 10, after the word "For" to strike out "continuing" and insert "completing", so as to read:

Supreme Court Building: For completing the construction of the building for the United States Supreme Court in accordance with the provisions of the act entitled "An act to provide for the construction of a building for the Supreme Court of the United States", approved December 20, 1929 (46 Stat., pp. 50 and 51), \$3,490,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration, Military Services", on page 45, line 14, after the word "prescribe" and the semicolon, strike out "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to procure actuarial

services by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable"; so as to read:

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans", approved July 3, 1930 (U.S.C., Supp. VI, title 38, secs. 11-11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, \$85,273,000: *Provided*, That not to exceed \$8,000,000 of this amount shall be available for all expenses and maintenance of all regional offices of the Veterans' Administration: *Provided*, That not to exceed \$3,500 of this amount shall be available for expenses, except membership fees, of employees detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and annual national conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the Administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the bureau in the District of Columbia and three for the Washington, District of Columbia regional office; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe; for operating expenses of the Arlington Building and annex, and the Wilkins Building, including repairs and mechanical equipment, fuel, electric current, ice, ash removal, and miscellaneous items; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the fiscal year 1934 or prior fiscal years:

The amendment was agreed to.

The next amendment was, on page 46, line 21, after the word "exceed", to strike out "\$5,000" and insert "\$15,000", so as to make the additional proviso read:

Provided further, That the appropriations herein made for medical and hospital services under the jurisdiction of the Veterans' Administration shall be available, not to exceed \$15,000, for experimental purposes to determine the value of certain types of treatment.

Mr. STEIWER. Mr. President, I invite the Senate's attention to the inclusion in the pending bill of the appropriation for the Veterans' Administration, particularly to that provision in the bill which provides money for the payment of pensions to veterans of the various wars in which our country has taken part.

It is fitting that the Senate should be engaged in the consideration of these items upon this day. For over three-score years the American people by common consent have united in paying a tribute of high honor and respect to the Nation's soldier heroes. I think I can render no finer service to those who have worn the uniform than to make some comment upon this item in the bill and upon some matters which are very closely related.

We all remember that upon March 20 approval was given to Public Law No. 2 of this session, commonly known as the "Economy Act."

Title I of that act repeals all pension laws relating to veterans serving in the World War and in the Spanish-

American War, provides a new basis for pensions, delegates to the President the power to fix the rates and within stated limitations to prescribe the conditions under which different classes of veterans may receive pensions.

Pursuant to this law, on March 31 the President made the regulations contemplated by the act, and subsequently the Veterans' Bureau published certain instructions in furtherance of the regulations and of the act. This law, these instructions, and the regulations to which I have referred, in combination, constitute the laws fixing the right to draw pension in this country at this time. With respect to them, I desire to submit certain observations.

In order to present the whole picture at a glance, if that is possible, I want to remind Senators that in the appropriation bill for the fiscal year ending June 30, 1933, the sum of \$927,000,000 and more was provided for the Veterans' Administration. In the appropriation bill passed in the last Congress for the fiscal year ending June 30, 1934, the sum of \$945,000,000 and more was provided for the Veterans' Administration. It will be remembered that that bill was not approved by President Hoover, and it therefore failed of enactment. For that reason the pending bill has become necessary. The pending bill provides appropriations for the independent offices, including the Veterans' Administration.

In the pending bill there is carried for the Veterans' Administration a total figure of \$493,988,000. Compared with the bill which was disapproved by President Hoover, this is a reduction of more than \$450,000,000, but, deep as this slash is, it reveals little of the character and effect of the cut which has been made in the pensions to the veterans of the Spanish-American War and the World War. This is true because, in the item, there are carried many other related items, such as the appropriations for hospitalization, adjusted compensation, insurance, and possibly other items.

In order to reach a correct understanding of the cuts in pension—and by the word "pension" I mean the payment made in hand to the veteran, and not the related matters to which I have referred—it is necessary to eliminate the collateral items. I have accordingly prepared a table which is limited to pensions only. This table shows all pension appropriations in a lump sum, and discloses the amount provided under each of the three bills, namely, the June 30, 1933, bill; the June 30, 1934, bill, which was passed in the last session but disapproved by President Hoover; and the pending bill. These lump-sum figures show the appropriations for the veterans of the various wars; that is to say, the World War, the Spanish-American War, the Indian wars, the Civil War, and for the peace-time soldiers of the Army, Navy, and Marine Corps.

The figures carried in the pending bill for pensions is \$231,750,000. It is not broken up in classes by wars, but is a consolidated figure.

I have obtained from the Veterans' Bureau and from other sources estimates by which we can make a distribution of this sum into the various items providing pensions to be paid to the different groups of veterans of the different wars. The tabulation has been prepared in this form.

I ask, Mr. President, that it may be incorporated in my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

	Appropriation act for fiscal year 1933	Bill disapproved by President	Pending bill
Disability and death, service- and non-service-connected pensions, lumped together:			
World War.....	\$352,482,732	\$372,800,000	\$103,786,000
Spanish War.....	119,862,683	124,773,477	41,650,644
Civil War.....	94,777,154	82,534,100	74,141,390
Indian wars.....	4,606,610	4,833,216	4,070,966
Regular pensions.....	6,734,108	7,789,974	8,072,000
Total for bills.....	578,463,287	592,730,000	231,730,000

Mr. STEIWER. Mr. President, these figures disclose that the bill disapproved by President Hoover would have provided in excess of \$124,000,000 for the veterans of the Spanish War.

The pending bill provides for the same purpose forty-one million six hundred-odd thousand dollars. The cut in this group therefore is more than \$83,000,000, and on a percentage basis the reduction will be approximately 67 percent.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. STEIWER. I am glad to yield to the Senator from New York.

Mr. COPELAND. Mr. President, does the Senator believe that the Senate understood that the Spanish War veterans were to be so cruelly cut as they have been?

Mr. STEIWER. I cannot reflect the feelings or beliefs of individual Senators, but I am sure that there was a general feeling in the Senate that, by reason of the amendment offered by the senior Senator from Washington [Mr. DILL] and agreed to by the Senate, the Spanish-American War veterans would not be cut as deeply as they have been cut. I think that is absolutely true.

Mr. COPELAND. That is exactly the feeling I had when I voted for that amendment.

Mr. STEIWER. I think that was a very general feeling.

Mr. COPELAND. I never dreamed for a moment that the Spanish War veterans would be cut as they have been. I saw a man yesterday who was a major in the Spanish-American War, a physical wreck, who will be on charity unless some relief is given. He was cut from \$50 to \$8.

Mr. STEIWER. There are such cases.

Mr. COPELAND. It seems impossible that such a thing was ever intended. I certainly did not have any thought in my mind that a thing like that would happen when this matter was before the Senate.

Mr. VANDENBERG. Mr. President, who made these cuts—the Secretary of the Treasury?

Mr. DILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington?

Mr. STEIWER. I yield.

Mr. DILL. The Senator has referred to the amendment relating to the veterans of the Spanish-American War on the roll because of having passed the age of 62 years. I want to say to the Senator that it did not seem necessary to me when we adopted that amendment to put in a limitation on the cut that would be made by the regulations. If I had been putting in a limitation, I would have been willing to have made that limitation even 33 1/3 percent; but if I had dreamed or had had any possible idea that they were going to take away 80 percent, I would certainly never have allowed the amendment to have been adopted in the form in which it was agreed to. To me it is the most indefensible regulation that has been made in connection with this whole matter. It would only cost a few hundred thousand dollars to give these men at least \$20 a month, and that would be a 33 1/3 percent cut. Instead of that, however, they have undertaken to obey the letter of the law, and leave them on the roll and give them only \$6, when they were getting \$30.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Oregon yield to me simply to make an observation?

Mr. STEIWER. I yield.

Mr. ROBINSON of Indiana. Senators voted with their eyes wide open on this whole question. It was brought to their attention by Members of this body; it was currently reported that the slash would be over \$400,000,000. It would be impossible to slash that much without making just such cuts as those against which Senators now protest. The whole thing was wrong. Placing it in the hands of the President of the United States, abdicating the authority of the Congress, and giving one man the right to do this vast injustice, this cruel, brutal injustice to hundreds of thousands of the defenders of the country was an outrage, and it will never be righted until the entire law is repealed. That

is the way to right it, if Senators want to right it, namely, to move to repeal it; and the quicker we repeal it and the quicker a decent, just, fair, honest, humane structure is set up the quicker the injustice will be remedied, and it cannot be remedied in any other way.

Mr. LEWIS and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. The Senator from Illinois wanted me to yield to him, and I will do that first, if the Senator from Pennsylvania will permit me.

Mr. LEWIS. I thank the Senator. I rise to recall that while the amendment alluded to by the Senator from Oregon was the composite work of a few of us trying to bring some order out of a chaotic situation, the able Senator from the State of Washington [Mr. DILL] is entitled to the credit for the object of the relief. I desire to say as to myself—and I can speak personally—that to the Senator from Washington, to others, and to myself there was the specific statement made by those who were to construe this act and to enforce it, that no such construction as now the Senator from Oregon and the Senator from Washington clearly indicate has been made, would ever be applied. I desire to say further that it is a shocking surprise to me to hear upon the floor Senators, whose word cannot be debated, much less doubted, say that the construction thus applied has worked such injury as the Senator from Indiana [Mr. ROBINSON] indicates and that the Senator from Washington is compelled sadly to have to confess. We trust for some immediate remedy.

Mr. STEIWER. Now I yield to the Senator from Pennsylvania.

Mr. REED. Mr. President, I am asking a question out of a sincere desire for information. My experience in the enforcement of the new regulations has been that an utterly impossible degree of proof is being required of the veterans in order to show service connection. While I do not like to take the Senator's time by giving an illustration, it will make my point clearer. In Erie there is a veteran dying of cancer of the left breast. He has been compensated since he was discharged from the Army as if the cancer were caused by his service. His medical record shows that he was seated in an ambulance in the Argonne when a German airplane dropped a bomb on the road close to the ambulance—it killed 30 men, incidentally—and two fragments of metal went through this particular veteran, one through his side and one through his shoulder, as I recall. He was thrown against something and knocked unconscious. He is not very sure what it was, but he thinks it was the wheel of the ambulance. The medical records show that for weeks afterward he was treated for a very severe contusion of the left breast, at the exact place where the cancer developed a couple of years later.

No human being can prove that the bruise, the wound, caused the cancer, and yet the Veterans' Bureau says to that man, bedfast, dying, with a dependent wife and two or three children, "Not one penny do you get now until you prove to us that that wound caused the cancer from which you are now suffering." It seems to me that there lies the brutality of this new scheme for veterans' compensation, which calls for an impossible degree of proof in establishing service connection.

We were told when we voted for the bill—some of us who voted for it were told, at any rate—that veterans with service-connected disabilities were going to be treated most generously. If I had not been told that, I would not have voted for the bill, but I never dreamed that before a veteran could get such so-called "generous treatment" he would have to prove what God alone knows, and that is the connection between these admitted injuries and the admitted ailment of the veteran. Is the Senator going to touch upon that in his argument?

Mr. STEIWER. I hope to do so.

Mr. HATFIELD. Mr. President—

Mr. STEIWER. I yield to the Senator from West Virginia.

Mr. HATFIELD. No one knows the cause of cancer. There are two general classifications of the disease, carcinoma and sarcoma. I do not know the kind of cancer from which the soldier referred to by the Senator from Pennsylvania suffers.

Mr. REED. I do not know whether it is sarcoma or carcinoma, but it is one or the other.

Mr. HATFIELD. Sarcoma is one form and could well be the result of an injury, and in the absence of any other proof, certainly the soldier is entitled to the benefit of the doubt by the Veterans' Administration, which controls his compensation.

Mr. REED. I thank the Senator, and that is what I have been trying to argue with the Bureau, but I have not got very far up to date.

Mr. STEIWER. Mr. President, I am in accord with the Senator's position in respect to the entire propriety of giving the veteran the benefit of the doubt in all these marginal cases, but I prefer to refer to the subject later.

I think, if Senators will indulge me with this expression regarding myself, that I am incapable of attempting to obtain any satisfaction from the predicament in which any one of them might find himself with respect to this measure, and I assure them that I am critical of them. My whole object in this discussion is to make some sort of an exposition of the situation as it respects veterans' pensions, and particularly the pensions of veterans of the World War and the Spanish War. Nevertheless, I think it is in order to say that those of you who supported this bill might well have been more particular about the safeguards which we attempted to set up.

Referring to the Spanish War veterans, it is quite obvious, I think, that the splendid purpose of the senior Senator from Washington was not achieved to the extent that he wanted it achieved, and I know how sincere he is, as is the Senator from Pennsylvania and as are others, in expressing their dissatisfaction over the situation. However, the fact is that when General Hines was before the Finance Committee he testified as to the cut that would be made in the Spanish-American War veterans' pensions, and his estimate was that the Economy Act would result in a cut in these pensions of approximately \$95,000,000. As a matter of fact, under the appropriation provided in this bill, as I have already pointed out, the cut is only \$83,000,000. So after all, the Spanish-American War veterans have not been treated quite as desperately as the Veterans' Bureau warned us they might be treated.

I, too, join with those who criticize the regulations provided under the economy bill on the score that the age pensions were not graduated. The age pensions under existing law, to which I hope to refer presently, provided pensions starting at 62, increasing at 68, again at 72, and then at 75, on this basis providing pensions that range from \$20 up to \$50. The amendment procured here through the efforts of the Senator from Illinois, the Senator from Washington, and other Senators provided merely that the veteran should not be removed from the rolls; in other words, that nothing in the act should prevent them from receiving pensions if they were otherwise eligible and had attained the age of 62 years. With that protection thrown around them, the regulations give to these veterans pensions of \$6 per month, which is the very minimum that could have been allowed under the law; and not only that, but there is no heed taken of advancing years, and no graduation in pension and no increase for the advancing years of the veteran. It seems to me, therefore, that those who were at that time acting in the behalf of the Spanish-American War veterans have a very real grievance in that those old men were not treated more generously in the making of the regulations and in the administration under the regulations.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Illinois?

Mr. STEIWER. I yield.

Mr. LEWIS. I only want to contribute justice where it is due. While it is true that the eminent Senator from Washington contributed a splendid effort as described by the Senator from Oregon, and myself and one or two others in a smaller degree, yet the Senator from Oregon himself, who is now speaking, did a great deal to help bring about the success of what he believed and what all of us believed at that time was an amendment to cure these ills. While he does not refer to his own contribution and his efforts in that respect, he is entitled to the same credit as comes to those who participated in the framing and adoption of the amendment.

Mr. STEIWER. I am indebted to the Senator for his kindness.

Mr. BORAH and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first, if I may, to the Senator from Idaho.

Mr. BORAH. I simply desire to ask if the Senator is going to content himself with a discussion of the situation or is he to offer an amendment to the bill?

Mr. STEIWER. That question presents to me a situation with which it is very hard to deal. I would offer an amendment increasing the amount carried in the bill if I thought that the regulations and the instructions issued by the Veterans' Bureau would be liberalized sufficiently to make an additional appropriation necessary or in any way in order. As I shall presently endeavor to show, under the present situation, with the regulations as they are and the instructions as they are, there is no use to appropriate any more money than the \$231,000,000 carried in the bill. I understand there has been a bill introduced, possibly two bills, the purpose of which was to liberalize the law in one or two respects. I am not yet prepared to offer any general proposal for the entire modification or liberalization of the act. Indeed, it seems to me, if the proper kind of regulations shall be made, that under this law, even as it is now written, 90 percent, if not 95 percent, of all the hardships of which Members of Congress are complaining may be eliminated.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. STEIWER. I am glad to yield.

Mr. BYRNES. In view of the last statement of the Senator from Oregon, may I say to the Senator that within the last few days, by direction of the President, the Veterans' Bureau has been at work upon the regulations seeking to modify them; that within the next few days, in my opinion, there will be an announcement of an increase in the rates of compensation to be paid, certainly to those who have service-connected disability; that while I am not advised of the extent of the changes, yet I know the changes are going to increase the amount of compensation certainly for those ex-service men.

Mr. COUZENS. Mr. President, does the Senator get his information from the new Secretary of the Treasury, Mr. Douglas?

Mr. BYRNES. Even the Senator from Michigan should know that Mr. Douglas is not Secretary of the Treasury. I do not know some things, but I do know that.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Oregon will yield—

Mr. STEIWER. I yield.

Mr. ROBINSON of Arkansas. The President himself is giving consideration to the subject. I cannot, as the Senator from South Carolina has stated, announce the details of the changes that may be anticipated, but the subject is being studied by the President himself as well as by others.

Mr. BYRNES. Let me say to the Senator from Oregon that the change is going to result in an increase in compensation.

Mr. STEIWER. That is very reassuring, but the situation becomes a bit involved when we are confronted with the necessity today and tomorrow of considering an appropriation bill and do not know what the law is going to be.

The regulations which are under discussion and which are authorized by the Economy Act, so far as the veterans are concerned, have the force and effect of law, and so far as we are concerned they have the force and effect of law because they determine what pensions shall be paid and what pensions withheld. They determine moreover the amount required to be appropriated by the Congress.

It leaves the Congress in a rather unhappy situation. I would certainly urge upon the Senate an increased amount of appropriation except that I do not know what the nature of the liberalization may be, I do not know what the increases may be, and I assume that in any event by a deficiency bill in the next session the Congress can provide such money as may be necessary in order to carry the present regulations into effect.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. STEIWER. I yield.

Mr. COPELAND. I am delighted to hear that the regulations are to be changed, but if they are to be changed it will be necessary to have some more money. Why does not the Senator move to increase the amount of money so there will be no embarrassment on the part of those who make the regulations in having the funds to carry them into effect?

Mr. STEIWER. Let me consider that suggestion a little later in the discussion. The suggestion is supported by one argument which is somewhat technical and to which I had not intended to make reference but will in view of this proposal. Section 1 of the Economy Act contains this language:

That, subject to such requirements and limitations as shall be contained in regulations to be issued by the President, and within the limits of appropriations made by Congress, the following classes of persons may be paid a pension.

I shall not attempt now to enter upon a legalistic discussion of that language, but I suggest that it may be that the appropriation itself operates as a limitation upon the amount which may be authorized by the regulations. Apparently this matter has an interlocking relationship, the appropriation being related to the regulation, and the regulation being related to the appropriation. The language is a little unfortunate and it may well be that the proper procedure is for us to procure an increase in the appropriation, not only so that the Veterans' Bureau may be released of any possible legalistic embarrassment, but also in order that we may assure that money enough will be available to carry out the purposes of the Congress under the regulations.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. STEIWER. I yield.

Mr. BLACK. Replying to the Senator's statement about an increase, with his consent I should like to send to the desk and have read a very short amendment which covers one phase of the veterans' appropriation, and which does authorize an increase. I should like to send it to the desk and have it read because the Senator may want to refer to it later.

Mr. STEIWER. I am very glad to have the Senator do that.

The PRESIDING OFFICER. The clerk will read, as requested.

The LEGISLATIVE CLERK. The Senator from Alabama proposes the following amendment: Amend by substituting for the figures "\$1,000,000", on page 49, line 7, the figures "\$2,000,000", and by striking out the period in line 8 and substituting a colon, and by adding thereafter the following:

Provided, That one half of \$2,000,000 so appropriated shall be used for supplying hospital treatment for veterans without regard to whether their disability was service connected or not.

Mr. BLACK. I have offered that amendment because, according to information given by the Veterans' Bureau, there are now 15,000 empty beds in the hospitals owned by the Government. We know there are more than 15,000 sick

soldiers in the country being treated at some kind of private charitable hospital. I have offered an amendment to provide this additional appropriation so the Government may utilize the facilities which it now has to treat the veterans.

Mr. STEIWER. That amendment will be entirely in order; but, of course, it does not go to the main question raised by the Senator from Idaho [Mr. BORAH], which would involve some amendment or increase in amount on page 48 of the bill.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Maryland?

Mr. STEIWER. I yield.

Mr. TYDINGS. The Senator a moment ago was referring to the Spanish-American War veterans. I am advised that a man who served in the Spanish-American War and remained in the Army after that war was over and who subsequent to that war incurred a service-connected disability cannot now receive hospital care though he may need it. A veteran of that war can receive hospital care. For instance, I asked for a number of cases of those who would be left out and who would find themselves in that situation. I shall refer to just one by way of illustration.

Private Blank, with a record of 10 engagements in the Philippines, lost a leg fighting against Moros in 1905. As I understand the law today, because his service-connected disability was not incurred in the actual war, he is not entitled to receive hospital care. I may be wrong, but those who have presented me with this information say that is the case. If it is the case, the law should be amended to allow a man who finds himself in that situation to have the same privilege that a veteran would have whose disability was connected with the service and in actual war.

Mr. GEORGE. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. STEIWER. I yield.

Mr. GEORGE. May I say to the Senator from Maryland that I have introduced a bill to give to the peace-time veteran, who has direct service-connected disability, hospital facilities just as the others are entitled to have them? Let me also say to the Senator that I know of a case where a veteran was actually wounded in battle, but 5 days after the official termination of the war, and hospital treatment has been denied.

Mr. TYDINGS. Mr. President, will the Senator from Oregon yield further?

Mr. STEIWER. I yield.

Mr. TYDINGS. I am glad to know the Senator from Georgia has offered such a proposal, which would extend mere justice to those veterans with service-connected disability, received in actual combat in some cases, though not in a declared war. It seems to me the likelihood of a bill of that character going through at this session of Congress is somewhat rather remote, and at the proper time I shall offer an amendment to the pending bill which would give to that class of veterans, of whom there are very few, the right to domiciliary and hospital care.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. STEIWER. I yield.

Mr. NORRIS. I am moved to ask the Senator from Maryland whether there is any doubt about the construction he has just given or that the officials of the Government have given to the case he quotes? A man who lost a leg in a battle with the Moros is refused hospital treatment. Was he under the command of the United States officers engaged in that conflict?

Mr. TYDINGS. That is my understanding.

Mr. NORRIS. And he is denied hospital treatment?

Mr. TYDINGS. He gets a pension, but the law refers only to veterans who were injured within certain periods of time, according to my recollection. This was in 1905 after the

so-called "emergency", the Philippine insurrection having been settled. The law is not broad enough to give that man coverage.

Mr. GEORGE. Mr. President, will the Senator from Oregon yield further?

Mr. STEIWER. I yield.

Mr. GEORGE. Hospital treatment of domiciliary care is given only to veteran soldiers who suffered a disability during a war period, and the period of the several wars, including the Boxer rebellion and Philippine insurrection, is defined.

Mr. NORRIS. Can anybody by any construction hold that the case cited by the Senator from Maryland does not come within that provision?

Mr. GEORGE. It does not because the period of war is fixed.

Mr. NORRIS. The man was certainly injured in line of his duty.

Mr. GEORGE. The same situation would prevail as to one of the regularly enlisted men today in Nicaragua who might be actually wounded or in line of duty would receive what is actually a battle wound. That is not a war period covered by the economy bill and as limited by that bill.

Mr. TYDINGS. Mr. President, will the Senator from Oregon yield further?

Mr. STEIWER. I yield.

Mr. TYDINGS. An illustration in line with the one just suggested is one within my knowledge which occurred in Nicaragua. A man lost his leg in Nicaragua and had his pension reduced from \$90 a month to \$22 a month, but under the law he would not be entitled to hospital and domiciliary care. That is my understanding of the law. However, that is not written into the law verbatim, but I understand is a result of the regulations of the Veterans' Bureau.

Mr. NORRIS. That is what I am trying to get at.

Mr. TYDINGS. If the Senator will allow me to proceed for just a moment, my amendment would contain only 3 or 4 lines; but I should like to read it, and then I will yield, with the Senator's permission. It would say that this service is to be furnished—

to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty, and to veterans of any war—

And so forth, as the old act reads.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. If the Senator will permit me—of course, the Senator from Oregon has the floor—

Mr. STEIWER. I should like to continue my remarks, but I will yield to the Senator.

Mr. NORRIS. I do not like the first part of the Senator's amendment. It says "discharged soldiers." The difficulty that we are confronted with, it seems to me, is to enact a law in such a way that no one, by any possible imagination, can reach the conclusion that a soldier who was in the war was not in the war, and that a soldier who was wounded or lost a leg in line of battle is not entitled to any consideration.

Mr. TYDINGS. Mr. President, if the Senator will yield there, I think the word "discharged" is properly in the amendment, for the reason that as long as the man is actually in the service he gets the hospital care as a matter of natural operation of the Army, Navy, and Marine Corps; but when he is discharged from the service for a disability incurred in the service, that is where all of the trouble comes.

Mr. NORRIS. Let me cite a case that it seems to me might arise and put the soldier out. Suppose the Senator were a soldier, and he were discharged today, and tomorrow, on his way home, he were injured, perhaps by the very enemy he had been fighting. He would not be entitled to hospitalization if we had an official who was trying to find a possible way out and avoid giving him the right to hospitalization.

Mr. TYDINGS. I see the Senator's point; but I may say to the Senator that, while his amendment certainly would broaden the scope of the provision, I understand that prac-

tically all these cases of apparent injustice arise in the cases of men who incurred their disability in line of duty, and who have since been discharged, but because the disability was incurred at a time not fixed in our declaration of war the men have been eliminated from benefits which I am sure Congress and the President and the American people want them to have.

Mr. STEIWER. Mr. President, I had not intended to cover special cases of the sort to which the Senator from Maryland [Mr. TYDINGS] has just referred, but hoped to address myself to more general considerations. My attention, however, has been called to cases of this sort, and I am of the opinion that he is right in his understanding that the soldier injured by a Moro under the circumstances stated is not entitled to hospitalization under the Economy Act. I base that opinion upon section 6 of the Economy Act, which reads:

In addition to the pensions provided in this title, the Administrator of Veterans' Affairs is hereby authorized, under such limitations as may be prescribed by the President and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments, and medical and hospital treatment for diseases or injuries.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield.

Mr. TYDINGS. The amendment I have just read is an amendment to the very section the Senator has just quoted.

Mr. STEIWER. That is the appropriate place.

A little while ago, in response to some questions propounded by the Senator from Idaho [Mr. BORAH], I made the observation that I thought 90, if not 95, percent of all the complaints presently being made against this act could be remedied by Executive action through modification of the regulations and through change in instructions with respect to proof, and I think that is a correct statement. The particular question raised by the Senator from Maryland may not, however, be treated in that way, but must be reached by amendment to the act.

Now, if I may, I desire to proceed with these general considerations.

I had just stated that as between an earlier bill and the pending bill the cut in the appropriation for the veterans of the Spanish-American War, on a percentage basis, amounted to 67 percent. For the veterans of the World War the bill disapproved by President Hoover would have provided a total of \$372,800,000, and the pending bill for the same purpose provides \$103,876,000; these figures all being estimates made within the total carried in the bill the total of \$231,000,000.

The cut in pensions to the World War group is therefore nearly \$270,000,000, and on a percentage basis represents a reduction of approximately 72 percent. As provided in the Economy Act, the cuts for Civil War and Indian war veterans are limited to 10 percent, and the cuts for the peacetime pensions are limited, as I remember, to 15 percent.

In order to understand the application of the Economy Act and of the regulations and of the instructions, these regulations and instructions being the child of the act itself, it is necessary to outline the procedure by which the cuts are made.

It is a correct statement to say that the cuts have been effected by literally hundreds of different devices, but most of them are of little importance. There are four that have been resorted to chiefly; and these four by their accumulated force result in the greater part of the total amount taken away from the veterans of these two wars.

These four propositions are the following:

(1) Regulation 1, which cuts the basis of service-connected compensation from \$100 to \$80 per month. I will interrupt myself there to say that I believe there is no solid objection and no very general complaint as to this proposition.

(2) Regulation 1, read in conjunction with regulation 3, divides disabilities into 5 classes in such a way that the veteran is not compensated strictly in proportion to his dis-

ability but is rated arbitrarily into 1 of the 5 classes in a manner to which I will refer a little later.

(3) Regulation 3 authorizes the Administrator of Veterans' Affairs to adopt and apply a new schedule of ratings, and provides that the new schedule shall be based on average impairment in earnings.

(4) Regulation 1 modifies the presumption of soundness at time of enlistment, and destroys in large measure the presumption that certain special diseases were acquired or aggravated in military service if manifest prior to January 1, 1925.

These four main provisions for effecting cuts account probably for more than 90 percent of all the cuts made.

Now permit me to refer more specifically to the situation of the Spanish-American War veterans.

Under the act of May 1, 1926, disabled veterans of the War with Spain and the related wars who had served 90 days or more, and who had received honorable discharges from the Army, were provided pensions that ranged from \$20 up to \$50 per month. If such a veteran had attained the age of 62 years or more he was entitled to an age pension that was not based on disability. The age pensions I have already described. For the various ages they varied from \$20 to \$50 per month. These benefits, and all of them, were repealed by the Economy Act except for the saving amendment to which we referred earlier.

In lieu of these provisions for veterans of the Spanish War and for their widows and dependents, these veterans become eligible for pension if permanently disabled, in which case they get \$20 per month, or if the veteran can trace his disability to a cause "incurred in line of duty in such service." In addition to that, the President must direct the payment of the age pension which we have been discussing.

The regulations issued by the President on March 31, as I have said, limit the age pension to \$6 per month, without making any provision for increase to veterans of more advanced age.

It is everywhere known that the veterans of the Spanish-American War cannot service-connect their disabilities, except in a very limited number of cases. Incidentally, that is well known in the Veterans' Bureau; it is well known to the President; and even though my discussion today is a little critical of the regulations and the procedure had under this act, I am most happy to say that there is one rather bright spot in the regulations, and that is regulation no. 12, in which the President by express terms acknowledges the difficulty of this group of veterans in their attempt to service-connect their disability, and in their behalf creates a presumption of service connection, which presumption, incidentally, the Veterans' Bureau so far have very effectually destroyed in their instructions and in their administration under the act.

The veterans of the Spanish War cannot connect their disabilities with their service because of lapse of time, because they fought in the Tropics, far off from hospitals, because records were incomplete or erroneously made, or because they were not made at all, or in some cases, even though made, because they have been subsequently lost or destroyed.

Ultimately, under regulation 12, to which I have just referred, and with some few exceptions, it is my opinion that the Spanish War veterans will receive a pension; but because the presumption will be overturned and rebutted they will receive a pension only if they are permanently disabled or if they have attained the age of 62 years; and beyond that, in the great majority of cases, they will receive nothing at all, unless the action of the President or of the Congress by its compelling force requires the Veterans' Bureau to make proper disposition of their cases.

The average age of these pensioners, as we know, is between 59 and 60 years, and their financial condition I need not comment upon.

In the tabulation I presented a little while ago it was shown that the pending bill provides for the Spanish-American pensioners a total appropriation in excess of \$41,000,000 as compared with an appropriation of nearly \$125,000,000

carried in the bill disapproved at the end of the last session. In my humble opinion, the entire sum of \$41,000,000 that is provided in the pending bill cannot be used for payment of pensions to this group of veterans; and this statement in one sense answers a question propounded earlier in this discussion. The bill provides \$41,000,000; but unless a very definite liberalization is made in the rules and the instructions, there is not the beginning of a possibility that the Veterans' Bureau will find themselves spending \$41,000,000, or any sum in excess of one half or two thirds of that sum.

It is noteworthy that the Administrator of Veterans' Affairs, testifying before the Finance Committee, estimated the savings under the Economy Act with respect to Spanish War pensions at \$97,000,000. The decrease in the appropriations is approximately \$83,000,000; and, as already stated, this decrease shows a reduction of 67 percent.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question at that point?

Mr. STEIWER. I am glad to yield.

Mr. VANDENBERG. Does the Senator's prior statement mean that he prophesies, deeply as the Spanish War veterans have been cut in this bill, that in actual administration there will be a further reduction below the appropriation?

Mr. STEIWER. Yes; I think there is no question about it. It is my considered judgment that unless the President enforces a change in the regulations or in the instructions the cuts are greater than are exhibited in the appropriations in the bill. That is true also of World War veterans, and it is true particularly of the overhead item for hospitalization. I did not intend to discuss that matter today, but this bill provides, as I recall, \$85,000,000 for hospitalization and overhead.

I do not think there is one person in the Veterans' Administration who would testify under oath that they expect to spend all that money under their present set-up.

Mr. VANDENBERG. Mr. President, as I have followed the Senator's calculation, the naked appropriation is reduced from \$121,000,000 to about \$40,000,000, and only about \$20,000,000 of the \$40,000,000 is going to be expended under the regulations as now administered.

Mr. STEIWER. The first part of the Senator's question is absolutely correct, subject to correction for exact figures. I venture, as my own opinion, that a little over half of the \$40,000,000 would be paid by the Veterans' Administration to the veterans of the Spanish War unless the President takes action to liberalize the regulations and instructions.

Mr. VANDENBERG. Therefore the Senator leaves us with no conclusion except that the situation must be reached by an affirmative amendment of the basic law and that it could not be reached by even an increase in appropriation. Is that correct?

Mr. STEIWER. It could not be reached by an increase in appropriation; but I have said that much of the evil inherent in this situation can be corrected by Executive action and by change in the regulations and by change in the instructions heretofore issued by the Veterans' Administration. I believe that it does not require much change in the basic act.

Mr. VANDENBERG. But in the first instance is not this appropriation bill made up on estimates from the Bureau of the Budget, which presumably reflects the rules and regulations which are to be administered?

Mr. STEIWER. Oh, I assume so; but there was no effort made to review the allowed cases for some days, possibly 2 or 3 weeks, subsequent to March 20, and since that time the review has been going forward at a very rapid pace. At the time the estimates were made, or at the time the matter was under negotiation with the Veterans' Administration and the Bureau of the Budget, I do not imagine that they could have had a very close estimate of the situation. When I obtained certain figures last week, I was advised by a statistical employee of the Veterans' Administration that at that time only 16 percent of all these cases had been reviewed or rerated. The Bureau itself is considerably in the dark as to the result of their own efforts, because there is a claim there, to which I hope to refer later, that they started

in with that class of cases which would show the greatest cut.

It is my opinion that they started with that class of cases which logically ought to show the least cut, and I think the Senator will agree with me that under the instructions already promulgated, the Veterans' Administration started with the service-connected cases, with those service-connected in fact, and then they took up the cases that were service connected by presumption, and they went into a class of cases where the percentage of cut ought to have been much less than it was with respect to some other classes of cases which are to be reviewed later.

Mr. VANDENBERG. Mr. President, is the Senator going to maintain that this same relationship exists with respect to World War veterans, and that only half of the appropriation is going to be used under the rules and regulations as to them?

Mr. STEIWER. No; I am not. My inquiry into that subject leads me to the belief that the Administration could not expend the entire amount which this bill carries for World War veterans, namely, \$103,000,000 and a little over, but that the amount expended will be considerably over half that sum. I cannot estimate just exactly what it will be.

Mr. FESS. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. FESS. I think the Senator is right, that the expenditures may be even lower than is estimated now.

Mr. STEIWER. Undoubtedly.

Mr. FESS. I think the Senator is right, but I am of the opinion that no amendment to the basic law is essential. There is bound to be a cut, because now we are under the stress of economy, and the order has gone out to cut wherever possible, and that is exactly what every department will do. It will all depend upon the liberalization of the regulations, and the way in which the President, who has the authority, will be able to look at the matter. My opinion is that we ought to increase the appropriation to the amount we think is feasible and leave it to the President, because otherwise we cannot pay out more, under the reading of the law, than the appropriation will permit; and if we increase the appropriation, with the power already in the hands of the President, who can change the matter as to regulations if he desires, because we have given him that power, it will be changed, but if it is left to the administrative officers such as the Veterans' Administration, they are bound to reduce to the minimum; but that is the force under which they are operating.

Mr. STEIWER. Mr. President, so far as World War veterans and Spanish War veterans are concerned, I think the Senator's statement is substantially if not entirely correct. At least, I will observe that in my own analysis of the situation I have reached the conclusion that no legislative action is necessary in order to provide pensions for them. With respect to some of the incidental and collateral questions, of which a good illustration is the one made by the Senator from Maryland earlier in the afternoon, I think that legislation is necessary, and that it ought to be taken up at an early date.

Mr. FESS. I admit that.

Mr. STEIWER. Mr. President, I want to make one further comment with respect to the Spanish-American veterans' pensions. Before the Finance Committee the Administrator estimated that the so-called "saving" would be something like \$95,000,000. Such a saving would not result in the figure of 67 percent in reduction which I used a little while ago, but it would be nearer 80 percent reduction; and that, I think, provides some support for my conclusion, that the \$41,000,000 in all likelihood will not be expended, and that a very great portion of it will never be used, unless, as we have said, the President shall liberalize his regulations, or the Veterans' Administration shall liberalize its administration under the act.

A better understanding yet of the effect of this act and of the regulations and instructions upon the veterans of the Spanish-American War is gained by a consideration of the condition of the dependents of those veterans. I refer to

the widows, the dependent fathers and mothers, and, of course, the orphan children.

Under existing law, if a veteran served 90 days or more and was honorably discharged, his widow, provided, I think, she had married prior to September 1, 1922, was eligible for a pension during her widowhood, and the base pension rate was \$30 per month. In addition, she was entitled to \$6 per month for every child under 16 years of age. In a like way, minor children and dependents were entitled to pensions paid direct to them in case no widow survived the veteran.

Under part 3 of the President's regulations no. 1, a widow eligible for pension will receive \$15 per month in lieu of \$30 per month. For one child she will receive in addition the sum of \$5 per month, in lieu of the present rate of \$6 per month. For children in addition to one she will receive the further sum of \$3 per month, which, of course, is in lieu of the old figure of \$6 per month.

The regulation, in order to guard against what I might ironically refer to as "unbounded generosity", placed an outside limit upon the amount to be paid to one family, and that limit is fixed at \$27 per month, regardless of the size of the family or the number of persons participating in the pension.

A little while ago the Senator from Maryland referred to the fact that many of our soldiers who had fought in the Tropics and in the Orient had remained there after their period of service had expired. That statement is true and, to my mind, affords an appealing and compelling reason why Congress should give sympathetic consideration to the rights of this particular class of veterans. I have been furnished with General Orders 38, dated July 1, 1899, and issued by command of Major General Otis. I am going to ask the Senate's indulgence while I read some part of this order:

MANILA, P. I., July 1, 1899.

Emergencies have rendered it impossible to transport to the United States the volunteer organizations of the army of the Philippines as soon as meditated and desired, thereby preventing their members from joining their homes and reengaging in their civil pursuits for a considerable period of time after they acquired the acknowledged right to demand their release and return. Notwithstanding this unexpected detention, these soldiers have uncomplainingly given to their Government uninterrupted military service, attended with deprivations and dangers to life and health, which those of their countrymen unacquainted with conditions can neither realize nor approximately appreciate.

Withstanding the heat of the Tropics, its scorching sun and drenching rains, overcoming every obstacle which prolific nature and a wily, active, and courageous foe could devise, their onward march has been a series of astonishing successes. They have responded with alacrity to every demand made upon them, however desperate the consequences might appear, and have never failed to more than accomplish expected results.

To all soldiers of the department the department commander desires to acknowledge his great obligations. The country owes them a debt of gratitude which it cannot repay. To the volunteers and troops of the Regular Establishment who pledged their services during the War with Spain only, and who have continued to render them under sacrifices innumerable, without complaint, and cheerfully, intelligently appreciating as they did the public necessities, even greater praise and regard are due. Some have recently departed. All others will follow within a short period of time and as rapidly as facilities can be secured. The department commander desires for them a speedy and safe return to their homes and that merited rest and public gratitude to which their exceptional services entitle them.

Mr. President, in recognition of the sacrifice and valor of these men, the Congress in 1906, passed a special act authorizing that a medal be stricken in their honor. Now they have attained an average age of nearly 60 years, most of them are poor, many of them are ill, many of them are unemployed, and at this time of emergency in their lives the Government, which General Otis said owed them a debt of gratitude which it could never repay, is attempting to discharge that debt by cutting their widows' pensions from \$30 per month down to \$15 per month, by cutting the orphans' pensions in half, provided there is more than one child, by taking away some of the support of indigent parents, and in the very great majority of cases unceremoniously removing the veteran from the pension roll entirely.

We are moved to ask whether there is anything in the situation that justifies that kind of cruelty? Was there any warning given to these people that the benefits under which they had organized their lives were to be withdrawn in so substantial a sense and with so little warning? I say to you, Mr. President, that not only was there nothing to justify them in the belief that they would be abandoned in their old age, but, on the contrary, assurances had been held out to them that the Government of the United States would not abandon them.

There was placed in the RECORD some time ago a letter written by the present Director of the Bureau of the Budget; I shall not read it, but I want to refer to it because it is known everywhere that of those who have been most responsible for the severity of the cut the Director of the Budget Bureau is one. Undoubtedly the Administrator of Veterans' Affairs is another; and these two gentlemen, so it is said, helped in drawing the regulations which they procured the President to sign. In the last campaign the Director of the Budget, in a letter which he wrote to Hon. R. C. Stanford, used this language:

It is not now, never has been, and never will be my intention to require of the Spanish-American War veteran proof of service-connected disability. I realize that, after the lapse of all these years since the Spanish-American War, it would be impractical if not utterly impossible for the vast majority of these veterans to prove such service connection, although it actually exists.

I have not now, nor did I ever have, any idea of disturbing any legislation concerning the Spanish-American War veterans, except those economically independent.

That is not the only assurance nor is it the most important one.

Mr. WALSH and Mr. CUTTING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Massachusetts.

Mr. WALSH. I inquire what authority has the Senator for stating that the Director of the Veterans' Bureau participated in and approved these regulations that led to the reductions complained of?

Mr. STEIWER. Mr. President, it is known that the chief counsel or solicitor of the Veterans' Bureau took some part in the preparation of the regulations.

Mr. WALSH. I am aware of that fact, but I have been led to believe that the Director of the Veterans' Bureau had little to do with the decisions that led to these particular reductions. I think he was consulted, and I think perhaps his bureau drew up the regulations. I have, however, had reason to believe that he was not in sympathy with all these regulations. Of course, he had to accept and follow the suggestions of his superiors.

Mr. STEIWER. I have no doubt the Senator is right in that, and probably he is better advised as to that than am I; but there is this to be remembered, if we attempt to exculpate the Director of the Veterans' Bureau from responsibility for this situation, namely, that the instructions put out for the guidance of the field officers were issued over the name of the Director. One of the great troubles, one of the causes of the severest cuts, is the rating table which originated in the Veterans' Bureau. So far as I know, the Director of the Budget had nothing to do with that; so far as I know, the President may not even have had knowledge of it except as it was brought to his attention subsequently. That, I think, was the work of the Veterans' Bureau itself, and for that the Director is responsible.

Mr. WALSH. I agree with the Senator, and undoubtedly the Director was instructed by his superiors, to rerate these cases for the purpose of reducing the expenses of the Veterans' Administration. I do not want to make any special defense of the Director, but I have reason to entertain the belief, though not from direct expression by him, that these drastic reductions did not meet with his entire approval.

Mr. STEIWER. I cheerfully accord to the Senator a knowledge which is possibly superior to mine with respect to that.

Mr. WALSH. Let me add while I am on my feet if the Senator will permit me—

Mr. STEIWER. I wonder if the Senator will permit me to ask him a question. I do not want to ask an unfair one.

Mr. WALSH. Certainly.

Mr. STEIWER. But, if the Senator is willing to state it, will he advise the Senate of the person whom he does hold responsible for the severity of the cuts?

Mr. WALSH. I have been of the opinion that the official who initiated and recommended these regulations was the Director of the Budget Bureau. I do not think he himself would dispute that. It was his leadership that has brought about most of the economies promulgated under the present administration.

Let me add now, while I am on my feet, that I concur in what the Senator from Oregon has said to the effect that practically all the alleged injustices in connection with these cuts or reductions could be corrected by Executive order.

Mr. STEIWER. I thank the Senator for that statement. I am sure that is correct. When interrupted, I started to refer, Mr. President, to further assurance that was made to the veterans of the War with Spain at their thirty-fourth national encampment held in August 1932. The Director of the Bureau, I believe, was not present, but he was represented there by the Assistant Director, Maj. O. W. Clark. Major Clark addressed the session of the Spanish War veterans. I have in my possession the proceedings of that encampment, and quote from the address which he delivered upon that occasion:

You all know General Hines served with honor and distinction during the World War, but I believe he treasures in his memory more than that service the service he rendered as your comrade in '98. General Hines asked me particularly to tell you that, in his opinion, you had nothing to fear from the so-called "economy wave." I know that the General himself would be the last person in the world to advocate withdrawing from the Spanish War veterans any benefit or privilege to which they are now entitled by law.

Mr. President we are all, I think, disposed to concede that the President of the United States has no desire to inflict injustice upon these old men. The Director of the Budget some little time ago was asserting that he had no such desire; the Assistant Director of the Veterans' Administration a little while ago on behalf of the administration was insisting that he had no such desire. We hear upon all sides in Congress the assertion that Members of Congress have no such desire. I wonder why it is therefore that through the united influence of all of us we cannot procure such modification of these regulations and of these instructions as may be necessary in order to do justice to this great group of veterans?

Now let me in the same way refer to the veterans of the World War.

Mr. COPELAND. Mr. President, before the Senator proceeds to another branch of the subject I should like to make a brief statement. The Senator has made a careful study of this matter as affecting the Spanish War veterans. A little while ago I recited the case of a major who is approaching death because of the condition of his heart, and who was reduced from \$50 a month to \$8 a month. Is that reduction the result of the regulations or of the law?

Mr. STEIWER. Regulation No. 3 directs the Veterans' Administration to make a rating table. The Veterans' Administration, pursuant to that direction, made a rating table. I have no knowledge of course concerning the particular case to which the Senator refers, but I have little doubt that the main trouble comes from the application of the rating table to his case. I shall discuss this table as I proceed in my remarks—

Mr. COPELAND. Then, we do not need a change in the law, but if there should be an appropriate and proper change in the regulations these injustices would not happen?

Mr. STEIWER. So far as that kind of a case is concerned, I think the Senator is entirely correct.

Mr. VANDENBERG. We do not even need a change in the appropriation, as I understand the Senator, in order to correct about half of the injustices.

Mr. STEIWER. That is true unless there is a technical limitation placed upon the right of pension by reason of the first section of the law. I have never formed any opinion upon it and do not express any at this time.

Mr. WALCOTT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Connecticut?

Mr. STEIWER. I am happy to yield to the Senator from Connecticut.

Mr. WALCOTT. I have had fully a score of cases typical of those that have just been recited—extreme cases where the reduction has been as high as from \$60 to \$6 a month. I have taken up these cases with the Pension Bureau directly, in person rather than by writing, and I get absolutely no satisfaction from them. They promise me nothing, and so far, after 2 or 3 weeks, they have done nothing. I have been rather hopeless about it. I am wondering what possibility there is, unless we can get the regulation changed, of securing relief for these veterans. I have had brought to my attention some of the most extreme cases, both of Spanish-American and the World War veterans who live in Connecticut. The burden of proof rests on them, although I am convinced from their own statements that their disabilities are service connected. It seems utterly hopeless at the present time to secure any redress.

Mr. STEIWER. I wish I could give some assurance to the Senator, but I cannot do so except to refer to what has been said by the Senator from Arkansas [Mr. ROBINSON] and by the Senator from South Carolina [Mr. BYRNES]. Those Senators have been assured that appropriate action will be taken. I am going to propose at a later time that in this matter we do not rest content with a mere change in the regulations, because, regardless of the action of the President with respect to the regulation, if the Bureau of the Budget is permitted to dominate the situation and to say to the Veterans' Administration that we must have a saving of \$400,000,000 or \$450,000,000 or \$500,000,000, or of any other sum of that kind, the procedure under the regulations will be such that the injustices will continue.

Mr. CUTTING. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Mexico?

Mr. STEIWER. I am happy to yield to the Senator.

Mr. CUTTING. Was it not the opinion of the Senator that under the amendment proposed, I think, by the Senator from Massachusetts [Mr. WALSH] no direct service-connected cases would be taken completely off the rolls? I know that was my understanding, and I think it was the understanding of a great many Members of this body.

Mr. JOHNSON. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from California?

Mr. STEIWER. Yes; I am happy to yield to the Senator.

Mr. JOHNSON. Not only was the amendment of the character indicated by the Senator from New Mexico, but when the amendment was under discussion—and to that I intend to refer if opportunity presents itself this evening—statements were distinctly and directly made that, speaking with authority, the Senate could know that there was no intention of interfering in any way with those who were receiving benefits because of injuries directly attributable to their military service.

Mr. CUTTING. In other words, if the Senator from Oregon, will pardon me further, it seems to make very little difference what legislation we pass on the floor of the Senate as compared with the regulations which are adopted by the people over whom we have no control whatsoever.

Mr. BYRNES. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. STEIWER. I am happy to yield to the Senator.

Mr. BYRNES. Did the Senator say that by the regulations veterans with service-connected disabilities, directly

connected with the service and not presumptively connected, have been entirely removed from the rolls?

Mr. STEIWER. No; not entirely removed.

Mr. BYRNES. Under the act I know that could not have been done, and I think the Senator from California is right in saying that the statement was made that it could not be done.

Mr. STEIWER. That statement was made.

Mr. JOHNSON. Mr. President, if the Senator from Oregon will pardon me further, not only was the statement made that they should not be removed from the rolls, but the statement went farther than that and was to the effect substantially that the rates were not to be touched.

Mr. BYRNES. I did not hear that statement made.

Mr. JOHNSON. The record is before me here, and I will refer to it subsequently, without interrupting the Senator from Oregon at this time.

Mr. CUTTING. Mr. President, so long as this question has come up, I think I might say to the Senator that I have a record of a great many cases which have been taken entirely off the rolls, although the examination of the medical officers immediately preceding the discharge showed the disability existing at that time.

Mr. JOHNSON. The Senator from New Mexico is quite right. There have been innumerable cases where the names of such veterans have been taken from the rolls as well as reductions having been made in the amounts received by those who have been permitted to remain upon the rolls.

Mr. STEIWER. I think it is fair to assume that most of the service-connected cases taken entirely from the rolls in the World War group are cases which have been connected with war service by statutory presumption. I think there may have been some few eliminated because the rating officers rated them at less than 10 percent, and, under the old law as well as the new, they would not be eligible for pension.

Mr. VANDENBERG. Mr. President, will the Senator indulge me for just a moment?

Mr. STEIWER. Yes.

Mr. VANDENBERG. I should like to call the Senator's attention to one specific case upon which I have a report—I had almost called it an apology if it amounted to anything—from the Veterans' Bureau bearing upon this very point, and I refer, if they ever want to check it up, to the case identified as no. C 144242.

This is all that they admit is the matter with this veteran. They admit, first, that he had a gunshot wound in his back and that it was service connected. They admit a hernia as a result of service. They admit arthritis of the lumbar spine, and they admit it is service connected. They admit chronic nervousness, and admit it is service connected. But under a strange manipulation of the new regulations this veteran is reduced from \$90 a month to \$8 a month. If there is anybody in the Senate who ever thought a tragedy and crime of that sort was going to be committed under the so-called "Economy Act", I miss my guess.

Mr. STEIWER. Mr. President, the Economy Act invites just exactly that kind of treatment. The regulations invite that kind of treatment. The rating schedule makes that treatment possible by substituting for the exact rating of the veterans—that is to say, a rating in accordance with their disabilities—this proposition of rating them arbitrarily in classes. That is one way they have of getting at it. A further way is by rerating the disabilities under the new rating tables. A gunshot wound, for instance, might heretofore have been rated 15 percent and now rerated 10 percent. In addition to that the Bureau has a new way of making combinations of ratings. They have a factor or coefficient which I think few of us understand, and they apply it in such a way that the veteran does not enjoy the sum total of all his ratings. After they have determined their different ratings, 10 percent for this, 20 percent for that, 25 percent for something else, and 30 percent for something further, they add them together in such a way that they produce less than the total of all the percents; and then if the rating should be 45 percent, because it is less than

50 it falls back to the 25 percent class. Instead of giving that veteran 45 percent of 100 they give him 25 percent of 80. If it falls down, as in the case to which the Senator referred, to the 10-percent classification, they allow him 10 percent of \$80, or \$8.

Mr. VANDENBERG. The Senator has exactly described the logarithms that are reported in this letter. They are all reminiscent of Mordecai Ezekiel. The net result is that through these various allocations to each disability and the lack of a specific bracket into which they can ultimately fall, they finally force the poor man back to the 10 percent allowance, and he now gets shot in the back a second time, but this time by his own Government.

Mr. STEIWER. Mr. President, reference was made a moment ago to a provision agreed to by the Senate and offered here as an amendment by the Senator from Massachusetts [Mr. WALSH]. It was said that it had been assumed under this amendment the service-connected disabilities would not be disturbed. I am sure that was the assumption of many Senators. In view of the fact that the matter has been mentioned I want to read the language of the amendment. I think I identify the proper place in the act, as follows:

The provisions of this title shall not apply to compensation or pension (except as to rates, time of entry into active service, and special statutory allowances) being paid to veterans disabled or dependents of veterans who died as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act. The term "compensation or pension" as used in this paragraph shall not be construed to include emergency officers' retired pay referred to in section 10 of this title.

Mr. President, this protective language which brings about a certain group of protected awards, has in it several exceptions; that is to say, it provides in general terms that service-connected cases shall not be removed from the roll; but to that protective provision there are exceptions, although not so termed in all cases. The first exception is as to rates; the second is as to the time of entry into active service; the third relates to special statutory allowances. In the making of the regulations it is probably worth while to comment that every weakening exception that was permitted to creep into this language was availed of by the President and by the Veterans' Bureau, and in the making of regulations and instructions every weakness that was permitted is used as a means of further cut with respect to service-connected veterans.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. STEIWER. I am happy to yield.

Mr. WALSH. Of course the exception that has been most generally used in forcing down compensation is the exception as to rate. If there were not that language used in the amendment, if a veteran who was injured improved in health and upon reexamination it was shown that he was not entitled to the amount of compensation he had previously received, or if his disability increased no change in his allowance could be made. It clearly was my intention and the intention of Congress, in using the words "except as to rates" to permit the Government to make increases or reductions in compensation where there had been new conditions leading to the necessary change in ratings of the veterans. However, the language has been used, as the Senator has stated, for the purpose of making general and in some cases alleged sweeping reductions in the rates to service-connected veterans, many of whose disabilities were incurred in actual combat.

Mr. STEIWER. I think the Senator from Massachusetts and I are entirely in accord with respect to that matter and were at the time this legislation was before the Senate. By reason of his active and long and devoted experience in the enactment of proper legislation for veterans of the wars, I know how sincere he is with respect to this whole subject, and it is not necessary for me to make any testimonial in his behalf.

Mr. President, I wonder if I may not now be permitted to proceed without interruption for a little while. I should like to conclude what I am saying.

I had started earlier in my remarks to invite the attention of the Senate to the application of these regulations and instructions to veterans of the World War. Under the act of July 3, 1930, allowance of non-service-connected disabilities are being paid to approximately 400,000 World War veterans. The total amount paid is in excess of \$100,000,000. Under the Economy Act all these veterans will go off the rolls except those suffering permanent and total disability, and they will be paid \$20 a month. It has been estimated that the number that will be separated from the rolls on this basis will be about 93 percent of the total. I make no point of this particular reduction. Like others who opposed the economy bill at the time it was before the Senate, I realized that savings must be effected, that curtailments must be made, and that the financial condition of the country justified a very severe change in the basis of pensions. I was ready then to support a proper and just bill. I would now favor a proper and just bill.

I do not want to put myself in the position of maintaining that economy should not be effected in our Government under existing conditions. The thing against which I protest, the thing I seek to have remedied in the remarks I am making this afternoon, is the nature and character of regulations, and instructions, and the way that the curtailment is being applied in the individual cases and the groups of cases affected.

The great class of World War veterans—not in numbers, but in amount received—are the so-called "service-connected cases." They total in number about 330,000. They are receiving a total sum in excess of \$200,000,000 per year.

As said today, it was assumed at the time the economy bill was under consideration, that this great group of veterans would not be substantially disturbed, and that if any cuts were made in their compensation such cuts would be made upon a moderate and at least an equitable basis. The World War veterans themselves accepted this idea; and, so far as I can learn, they very generally agreed to the proposition that financial conditions warranted a reduction in their compensation. The veterans, I think, would have voiced little or no complaint to a 20-percent cut, or even a 25-percent cut in compensation for service-connected disabilities. As already stated, the first cut applied to these veterans is the reduction in the compensation basis from \$100 down to \$80 per month; but a further cut is had by the method of classification.

I have already referred to this subject; but I desire now to read regulation 3, so that Senators who have not examined the regulation may see for themselves just what its effect turns out to be.

I read a part of regulation 3, as follows:

The schedule shall be constructed so as to provide five grades of disability and no more, upon which payments of pension shall be based, namely, 10 percent, including those 10 percent but not 25 percent; 25 percent, including those 25 percent but not 50 percent; 50 percent, including those 50 percent but not 75 percent; 75 percent, including those 75 percent but not total; and total, 100 percent.

Actual cases have already been cited in this debate; but I want to cite one more to illustrate in a very clear way the application of this method of classification.

C-195515 is a case of a veteran wounded in action in both legs, right shoulder, and face. He was rated 48 percent for gunshot wounds. Under the regulation, because his disability does not rate 50 percent, this case is classed in the 25-percent group, and in lieu of a pension of 48 percent of \$100, or \$48, he will receive 25 percent of \$80, or \$20. His reduction in pension for gunshot wounds is \$28, but on a percentage basis his reduction is 58 percent.

This is not an extreme case. This fairly represents the application of the new schedule of rates, and, I think, is fairly typical of the battle casualties of the World War.

The national service officer of the Disabled American Veterans has made an estimate of the cuts in the service-connected pensions, and he informs me that the number of

such cases that will be eliminated entirely from the rolls by reason of the new regulations and the instructions issued thereunder will be approximately 50 percent. Some students of the subject estimate the elimination from the rolls of service-connected cases in excess of 50 percent. This gentleman's estimate is based on the returns made to him from the service officers of his organization who are in contact with the administration of the Economy Act throughout the United States.

It is further believed that those who remain on the rolls—remember I have just stated that of the service-connected cases approximately 50 percent go off the rolls entirely—I am now saying that this gentleman's estimate is that those who remain on the rolls will receive cuts of approximately 50 percent in the compensation which they are to receive.

The national service officer of the American Legion has made a similar analysis. He has given to me this summary of his views:

Of the number of cases reviewed the number of service-connected compensation cases discontinued was 6,258. The number of service-connected cases rerated so as to receive a permanent and total nonservice \$20 award was 289. The number of cases to remain service connected was 7,427. These figures substantially support the estimate made by the representative of the Disabled American Veterans to which I have already referred. They show, moreover, that approximately 44 percent of the service-connected cases were removed from the rolls either because of breaking down the service connection or because of a rating of less than 10-percent disability.

Mr. WALSH. Mr. President, will the Senator repeat his last statement?

Mr. STEIWER. I am reading the estimate of the service officer of the American Legion with respect to the service-connected cases. I just stated, from the estimates made by him, that the analysis shows that approximately 44 percent of the service-connected cases were removed from the rolls entirely, and they were so removed either because of breaking down the service connection, through disregarding statutory or regulatory presumptions—

Mr. WALSH. That explains the large percentage—removing the presumptive cases.

Mr. STEIWER. Yes; in most cases.

Mr. WALSH. I could not conceive of such a large percentage on the direct service-connection cases.

Mr. STEIWER. Oh, no! I am talking about the whole group of those who have been adjudicated service-connected.

This analysis discloses that the 54 percent that remain on the rolls for war-service connection remain at a substantially reduced rate. The average monthly rate under existing law for this great class of cases is approximately \$46 per month, and under the Economy Act it is approximately \$21 per month for the same group of cases. This analysis indicates that those veterans who maintain their place on the rolls with service-connected disabilities will suffer cuts which average about 54 percent.

Consideration of the facts so far recited leads inevitably to the following conclusions respecting the World War veterans, namely, that except for small and relatively unimportant special classes, the net result of the Economy Act under present regulations and under present instructions, is the separation from the pension rolls of a very large but undetermined number of service-connected cases; that the percentage of separations ranges somewhere between 40 and 50 percent; and that the number of service-connected cases still remaining on the rolls, except for the unimportant cases referred to, will be reduced in varying amounts from 31 percent to 88 or possibly 89 or 90 percent. It is certain that the average reduction in payments for those whose disabilities have been attributed to the war, and who still remain on the rolls, will be somewhere between 50 and 60 percent.

I desire to reiterate that these figures do not refer to the disability allowances heretofore provided for those whose disabilities were not related to the war, but they are limited to disabilities which the war brought on or aggravated, and

which heretofore have been adjudicated in one way or another as service-connected cases. They include the cases of the war-scarred and the battle-maimed, and of those who suffered loss of arms and legs and bodily function.

Now, in my effort to hurry on, I want to proceed to certain further cases which illustrate the effect of regulation 3.

I have already read a portion of regulation 3, which defined the classifications into which the various groups shall fall, and I have discussed it as much as I care to at this time; but regulation 3 has a further effect with relation to the rating schedules themselves, and I will read that part of the regulation at this time:

The Administrator of Veterans' Affairs is hereby authorized and directed to adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations.

Under the authority of this regulation the Administrator of Veterans' Affairs has published a schedule of ratings which purport to show reduction in earning capacity for specific injuries. This is the schedule to which the Senator from Michigan [Mr. VANDENBERG] referred a little while ago. I am not able to exhibit the schedule of ratings to the Senate, for the simple reason that the Administrator has declined to furnish it to me. For the information of the Senate, and without making any particular point of the matter, I quote from a letter written to me by the Administrator of Veterans' Affairs:

Relative to your request for a copy of the schedule for rating veterans' disabilities, you will appreciate this schedule presents a rather complicated arrangement of disability evaluations and was designed for the use of Veterans' Administration officials directly responsible for the adjudication of claims for pension. In preparing and arranging for the printing of the schedule, provision was not made for sufficient copies to permit of a general distribution, as it was not thought that the schedule would be of value except to those thoroughly instructed in its use.

I eliminate some language there and conclude with the final sentence, as follows:

It is regretted it is not found expedient to comply with your desire in this instance.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STEIWER. I am glad to yield. I do not want to yield very frequently, because I want to hurry on.

Mr. CLARK. I just desire to ask the Senator if I understood correctly that the Veterans' Bureau were taking the attitude that a Senator of the United States was not entitled to information about the schedules that they made out.

Mr. STEIWER. Well, I would not say that. I think the letter ought to speak for itself.

Mr. CLARK. That is what it amounts to, is it not?

Mr. STEIWER. The refusal was not based upon the fact that I was a Senator, of course. It was based upon the fact that they did not have a sufficient number of the schedules printed, that they were highly technical in their nature, that they were intended for Bureau use, and they did not think they would be of value to anybody else.

Mr. CLARK. As I understood the reading of the letter by the Senator, the refusal was based on the fact that the Administrator of Veterans' Affairs apparently thought the Senator did not have sense enough to understand the schedule. [Laughter.]

Mr. STEIWER. Well, I think I ought to admit the full implication of the Senator's observation. The fact remains that they did not send me the table, and I am obliged to make this discussion without it.

I had started to take up special cases which have been brought to my attention and which become important because they illustrate the application of this rating schedule that has been published by the Veterans' Bureau.

Case 1 is the case of a veteran who has a machine-gun bullet lodged in the lower lobe of the right lung. This veteran also has a bad gunshot wound in his chin, with loss of jawbone, several teeth, and much disfigurement of face. He also has a severe bronchial asthmatic condition, caused from bullet lodged in lung, and has frequent hemorrhages of the lungs. His former rating was 82 percent, with a com-

pensation of \$32. His new rating is listed at 50 percent, with a compensation of \$40. His reduction is, therefore, more than 50 percent.

I am told by the representatives of the veterans' organizations that the way by which the Bureau officials arrive at the new ratings is, first, to evaluate the disabilities at a figure lower than the present rating, and then, having made the evaluations at the lower figure, to place them in combination in such a way that the total sum of the evaluations does not become the final rating, but is subject to an arbitrary of some kind that is over in the back of the rating book. The application of this arbitrary results in cutting down the total disability of the veteran to a point less than the Veterans' Administration actually finds it to be, and, on an arbitrary basis, to rate the man at a lower figure than his actual disability or his actual reduction in earning capacity. Then, having done that, they take the new classification which is also below the man's rating, and then they employ the percentage thus obtained against the \$30 base instead of the \$100 base.

The next case to which I desire to draw attention is the case of a veteran who is drawing \$60 per month on a service-incurred disability which had resulted in amputation of a leg. He had an additional statutory award of \$25 per month, as provided by law in cases of that kind, making a total of \$85 per month under the old law. Under the new act he is being granted \$20 per month, with an additional \$20 statutory award, making a total of \$40 per month. This veteran receives a reduction in compensation to the extent of 53 percent.

Another case is that of a veteran drawing \$66 per month on a service-incurred disability, including a mastoidectomy and otitis media, chronic—which I will not attempt to define—and certain other disabilities. His last examination showed that the drum of one ear was destroyed, with frequent discharges, and dullness and retraction in the other ear. The hearing in the right ear is completely lost and is 75 percent impaired in the left ear. Under the new act this veteran is reduced to \$8 per month. This case is, I think, a parallel to the one that was cited by some other Senator a little earlier in the afternoon. His compensation was \$66 per month. It becomes \$8 per month, so that his reduction is 88 percent.

Case 4 is the case of a veteran who formerly received \$125 a month. The old rating was permanent partial 58 percent for amputation of the left thigh, lower third; permanent partial 20 percent for the residual deformity, diagnosed as inversion and unstable right ankle, with chronic synovitis.

Mr. HATFIELD. Mr. President, did the Senator say this man had a 20-percent permanent disability award for loss of the lower third of the thigh?

Mr. STEIWER. The 20 percent was for the residual deformity. It seems to have been in addition to the 58 percent for the amputation. He had certain other injuries and was rated permanent and total without application of the combination table. His disability resulted in the payment of \$125 per month.

Under the new-rate schedule his first disability was cut to 50 percent, the second to 10 percent, and the third is rated no percent, and the combination leaves him with a rating of 50 percent. Under the new schedule his reduction is 52 percent.

I think it is not necessary to present further cases of that kind. The Veterans' Administration and the veterans' organizations can furnish any number of cases which are illustrative of the severity of the cuts as applied to the various service-connected cases.

It will be noted with respect to these cases that they are not cases predicated on statutory presumption and for this reason have been removed from the pension rolls; they are cases of battle-scarred veterans whose disabilities are actually service connected by proof in the possession of the United States Government, and a reduction in pension does not come from removal but results from the reduction in the scale of pension rates under the administration of the new law.

It is to be pointed out also that there have been no examinations. In all these cases the cuts in compensation are shown as a result of mere rerating. There has been no claim in any case that the patient has recovered. In these surgical cases, of course, there can be no recovery. There has been no claim of recovery. The adjudications are made from the examinations of the same files. The determinations are made upon the same facts, and the difference is to be accounted for wholly and entirely by the application of the new law, the new regulations, and the new instructions.

The question naturally arises, as one examines these cases, by what means are so many of these disabled veterans, who heretofore have been adjudicated as service connected in their disabilities, entirely separated from the pension rolls? The answer is that some of them are separated because the doctors and others in the Veterans' Administration who performed the rerating applied the new rating schedule in such a way that the rating is reduced to less than 10 percent, and therefore the veteran is not eligible for pension. I am not absolutely sure but that statement is a correct statement.

Mr. HATFIELD. Mr. President, is the Senator under the impression that the physicians in the medical department have very much to do with the rating of veterans?

Mr. STEIWER. I have no way of knowing, but if one reads the instructions, and examines the history of these cases, he would think the medical department had had considerably to do with them at some time. I have been told, in addition—but this is purely conjecture—that in the effort to get these disability and other cases rerated before the law takes effect, very great haste is sought and the Veterans' Administration has called in the aid of practically everybody in the field offices. I was told by one man that they had used stenographers to turn to the cases and see whether or not they were service-connected in fact, or whether they were service-connected by statutory presumption, and that a little pink slip was put on those that were service-connected by presumption, or which for some reason or other would not be continued under the new law, and when the pink slip was found, the examining officers would turn those cases down, and in that summary way dispose of them.

I should not think the doctors of the Veterans' Administration have had anything to do with this procedure save in aiding in making new instructions. If that is so, it becomes purely a mathematical matter, and anybody, by taking the rules and regulations, can throw a veteran off or leave him on the roll.

Mr. HATFIELD. If the Senator will permit an observation, I want to say that I do not believe the medical department has ever had any voice in the fixing of rates, or in arriving at rates. My view is—and I base this on practical experience—that the rates are made by laymen, and that a layman certainly could not possess a sufficient amount of medical knowledge to result in a just rating being adopted, in justice to the soldier.

Mr. STEIWER. I thank the Senator. There is so much to which attention could be directed that it is difficult, in the discussion of this question, for the speaker to put his finger upon all of the things which have become factors in removing these veterans from the rolls. But in the face of all that might be said, I think the most glaring ignominy involved in this new system of Veterans' Administration lies in the denial, in a most substantial way, of the presumption of service connection, to which the Senator from California and others referred earlier in this discussion.

It will be remembered that under the World War Veterans' Act of 1924 there is a provision that certain special diseases developing prior to January 1, 1925, shall be presumed to have been acquired or aggravated in the military service. This presumption is conclusive in cases of active tuberculosis, but rebuttable with respect to the other special diseases named. This presumption was repealed by the Economy Act, which conferred upon the President the power to prescribe the nature and extent of presumptions.

I might comment on the fact that the Economy Act does not by itself and by its terms deny the benefit of presump-

tions. It merely repeals existing law and confers upon the President the right to determine whether such presumption shall be had in the consideration of any kind of a veteran's adjudication.

Pursuant to this grant of authority the President, in regulation 1, provided that certain chronic diseases shall be considered to have been incurred or aggravated by service if the disease is manifested to a degree of 10 percent or more within 1 year from the date of separation from active service. This presumption not only limits the presumptive period but provides that the veteran must have served 90 days or more in the active military service, and it further provides that affirmative evidence may rebut the presumptions even in the case of active tuberculosis. Moreover, the presumption of soundness upon entering the service is substantially modified. The act of 1924 makes the presumption of soundness at the time of enlistment conclusive except as to defects or diseases made a record at that time.

In the President's regulation 1, the presumption of soundness is rebutted by defects or diseases noted at the time of enlistment or by evidence or by medical judgment that the defect or disease existed even though not noted. In the administration of the economy law the Veterans' Bureau, without hearings and without granting opportunity to offer additional proof, formulates what it calls a "medical judgment" upon which a determination is made that the veteran was unsound at the time of enlistment, and, therefore, that his disabilities did not originate in the military service. The extent to which this so-called "medical judgment" is capriciously exercised remains to be developed, but obviously it is an important factor in denying pensions to disabled ex-soldiers. It is fittingly adapted to the whole scheme of pillage and plunder upon which the regulations under this law have been formulated. I am glad to be able to state that the hardships caused by the exercise of arbitrary "medical judgment" has been modified to a partial extent by an informal supplementary instruction which has been communicated by the central office of the Veterans' Bureau to the field offices by telegram under date of May 19, 1933. I quote this telegram as follows:

For the purpose of regulation 1, part 1, service connections previously granted for diseases on the basis that they existed prior to enlistment or during service within 1 year following discharge in cases where veterans served 90 days or more during a war enlistment will be continued unless medical judgment supported by a showing of clear and unmistakable error, conclusively determines that the continuance of such connections is clearly erroneous and unwarranted.

By reason of this modification "medical judgment" may not be exercised to deprive the service-connected disabled veteran entirely of his pension, unless such judgment is supported by a showing of clear and unmistakable error. In a program of the character in which the Veterans' Administration is now engaged, it is gratifying to find this isolated symptom of generosity.

In order to determine the application of the new-rating schedule and the new rules of presumption and proof, I recently directed a letter to the Administrator of Veterans' Affairs requesting that he furnish me with copies of the bi-monthly reports from the Portland, Oreg., regional office of the review of active awards. Under date of May 12 I received from the Administrator a letter in which he politely declines to furnish this information. From this letter I quote as follows:

Several requests of this character have been received, and temporarily it is our policy not to release these data as they are not necessarily indicative of the effect of Public No. 2, Seventy-third Congress, and the regulations issued pursuant to it. Furthermore, I think it can be safely said that those cases least deserving under the provisions of the law and regulations are being reviewed first, as they present an easier adjudication problem, and so the initial returns of the review do not represent a true picture for the entire case load.

On account of the foregoing, may I suggest that your request be held in abeyance for the time being, and that at such time as it is felt these returns represent a true picture I shall be glad to turn over to you the results of the case review in Oregon.

This letter incidentally raises the question whether the review had up to this date will be typical of the completed

review. In light of the instructions heretofore issued by the Bureau, it is difficult to accept the statement made by the Administrator that the "initial returns of the review do not represent a true picture for the entire case load."

A little while ago, in answer to some inquiry propounded to me by the Senator from Michigan, I stated that upon information in my possession, I thought that the reviews up to this time were probably taken from the best end of the list, and not from the weakest end of the list. I call attention to that now because the statement made in the letter I have just read directly raises this question.

I want the RECORD to show that instruction 1 under regulation 1, definitely sets forth the order of review. It provides that the adjudication officers shall cause the review to be arranged in the prescribed order. At the beginning of the list is found:

A. All cases wherein the disability of the veteran has been directly connected with the active service.

And then—

B. All cases wherein the disability of the veteran has been connected with the active service by statutory presumption.

The disability allowance claims, which are repealed unless permanent and total, and which I have shown will be separated from the rolls to an extent approximating 93 percent, are not even on the list, and the permanent and total allowance claims which make up about 7 percent of the total are at the extreme foot of the list. It would seem that the percentage of separations will increase as the review goes forward, and the quoted letter of the Administrator becomes still more amazing.

The presumptive periods created by the act of 1924 were worked out after years of study. They are supported by medical testimony and by facts of common knowledge. Medical authority discloses that certain diseases, like tuberculosis, have no definite period of incubation; that the patient becomes infected but the disease will remain inactive; and the germ of infection may be carried in the patient for long periods of time. The evidence before various committees of the Senate and House discloses that it is accepted by a great preponderance of authority in the medical world that tuberculosis and certain neuropsychiatric diseases and other afflictions may make themselves manifest many years after the first inception of the disease. Because of this fact, liberal presumptive periods are necessary in order to avoid injustice to veterans in tens of thousands of cases. Let us assume that a veteran served from April 1917 to the spring of 1919, and that 3 years after his separation from the service, namely, in 1922, he develops active tuberculosis. What was the predisposing factor in the development of this disease? The highest medical skill cannot determine the inception of this disease. Was the infection received before enlistment or during enlistment or after enlistment?

I hope it will not be assumed that because I ask these questions I would presume to answer them. I am merely trying to state, not on my own responsibility but on the highest medical authority, that upon all the information brought before the Senate over the years it is not possible to determine the time when this infection was initiated.

Even after the breakdown comes the veteran cannot prove anything at all concerning the inception of his disability. It is known, however, that unusual strain and stress of environment will contribute to the breakdown. Military service may, therefore, very logically produce an active tuberculosis, but this fact is not proof that the disease did in fact originate in the military service. The truth is that the proof of service-connection in cases of this kind is utterly beyond human power. In the case which I have assumed, the disease may very well have been caused by military service, and the stress and hardship incidental thereto, but the fact is completely beyond power of establishment. In the case cited, the presumption granted by the act of 1924 would service connect the disability. I freely admit that such presumption may service-connect disabilities which are

in fact not of service origin. In more cases the absence of presumption will prevent service connection of disabilities which are in fact of service origin.

Shall the United States Government, in generous appreciation for service rendered, grant to the veteran the benefit of presumption, which will result in justice to the veterans in every case, or will the United States, in order to protect itself against the payment of benefits to those veterans whose disabilities did not in fact originate in the service, deny the benefit of presumption and thus leave large numbers without compensation or right of pension merely because medical science cannot supply the proof of service origin?

This question is one of justice. In its moral phases it is more important than economy in the administration of government. The determination of this question against the claim of the veteran—that is to say, against the right of presumption—can be reached only upon the theory that we are to give the Government the best of it; that we will exercise the power of conscription and take the American boy from his fireside to the trenches; that we will resort to compulsion to require his military service; and then when he is afflicted and in need we will say to him, "We cannot deal justly with you for fear we may do an injustice to the Government."

In opposing the enactment of the economy bill, I criticized the delegation of power under which the President was to prescribe the extent of proofs and presumptions. I knew then that the President would sign the regulations which have the effect of law so far as veterans are concerned, but that he could not personally make them. I feared that the Veterans' Administration would make these regulations, and I knew, as we all knew, from testimony developed in the different hearings, that the Veterans' Administration was opposed to liberal presumptive periods, and that if the Bureau were given the power it would embark upon a series of repudiations, in an effort to absolve the United States Government from its plain duty to those who have worn the uniform in time of war.

The Economy Act repealed the World War Veterans Act of 1924, and conferred upon the President the power to prescribe the extent of proofs and presumptions. It was said that the action was necessary in dealing with the financial emergency, but this claim was and is spurious, because the regulations which have been written by the Veterans' Administration and by the Director of the Bureau of the Budget, and signed by the President, are to become the permanent law of the land. Countless thousands of veterans whose disabilities are service-connected are being separated from the rolls, and they will remain separated until Congress again meets its responsibility by writing into the law the humane and just provisions to which the disabled veterans are entitled.

I shall not detain the Senate to discuss the question of hospitalization. It has already been referred to at previous times in this body. The whole story is summarized in the weekly reports showing the number of patients remaining in the different Veterans' Administration facilities. The Bureau has very kindly furnished me with these weekly reports, and from them a table has been prepared showing the decrease in the number of veterans enjoying hospital facilities by weeks from February 28, to May 20, both inclusive. This table discloses that between the two dates named the number of patients with service-connected disabilities has fallen from 15,600, approximately, to 14,400, approximately; the number of patients with nonservice-connected disabilities has fallen from 30,778 to 20,001; the total decrease in patients is approximately 12,000, and the unoccupied beds have increased from 3,611 to 14,756.

I ask that the table may be printed in the RECORD at this place in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Veterans' Administration patients remaining in all facilities

Date	Service connected				Nonservice connected				Total service and nonservice connected	Beds unoccupied
	Tuberculous	Neuropsychiatric	General medical and surgery	Total	Tuberculous	Neuropsychiatric	General medical and surgery	Total		
1933										
Feb. 28.....	2,154	11,470	1,985	15,609	5,142	9,001	16,635	30,778	46,387	3,611
Apr. 1.....	2,055	11,355	1,719	15,129	4,916	9,036	13,464	27,416	42,545	7,377
Apr. 8.....	1,934	11,380	1,461	14,775	4,907	8,853	12,081	25,841	40,616	9,474
Apr. 15.....	1,936	11,287	1,343	14,566	4,674	8,784	10,932	24,390	38,956	10,906
Apr. 22.....	2,028	11,276	1,341	14,645	4,574	8,720	9,960	23,254	37,899	11,829
Apr. 29.....	1,986	11,203	1,249	14,438	4,478	8,579	8,669	21,726	36,164	13,359
May 6.....	1,998	11,268	1,242	14,508	4,376	8,482	7,778	20,636	35,144	14,416
May 13.....	2,026	11,190	1,261	14,477	4,348	8,409	7,337	20,094	34,571	14,679
May 20.....	1,966	11,191	1,245	14,402	4,320	8,470	7,211	20,001	34,403	14,756

Mr. STEIWER. Now I come to some rather general observations, which I think are entitled to serious consideration with respect to this entire subject. They may be of some aid in determining whether we shall increase the appropriation, whether we shall endeavor to amend the law, or whether we shall insist that the regulations be liberalized or that the instructions of the Veterans' Bureau shall themselves be made more liberal.

Everybody knows that the campaign to support the Economy Act was carried on by the National Economy League. At some appropriate time I may discuss the personnel of that league and its connection with New York financial interests, with Wall Street, with the banking house of J. P. Morgan & Co., and with other groups in New York, but I shall not do that at this time.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. STEIWER. I am happy to yield to the Senator.

Mr. ROBINSON of Indiana. I merely want to suggest that the personnel of the National Economy League is being discussed now by the Committee on Banking and Currency of the United States Senate, and some of the disclosures are startling.

Mr. STEIWER. It is true, Mr. President, that some of those disclosed as having relations in one way or another to J. P. Morgan & Co., were active in carrying forward the efforts of the Economy League, and some of the disclosures are startling.

Mr. ROBINSON of Indiana. May I observe to the Senator further that it is to be noted that, while these same interests were insisting that the Budget be balanced, for the past 3 years they have not paid any income tax to support the Government.

Mr. STEIWER. So far as my own part in this debate is concerned, Mr. President, I am trying to confine myself to an exposition of the whole situation, and I shall not yield to the temptation to characterize anyone or to criticize unreasonably. I have tried not to make any unnecessary criticism of the Veterans' Bureau, and I am trying to speak in entire good nature and with the highest respect for the President and for the Director of the Budget. I am one of those optimistic enough to believe that the assurance that has been given by the President will be carried into effect at least to a partial extent and that some of these abuses are going to be remedied. I seek by my argument to insure that it will be done.

Mr. ROBINSON of Indiana. Mr. President, I do not like to interrupt the Senator so often, but let me suggest to the Senator that some of these abuses are irreparable. Hundreds of men have already committed suicide and others have died as a result of the cruelty of the so-called "Economy Act" or of the regulations, and untold thousands have suffered deprivation and even starvation. It is too late, Mr. President, to cure those matters.

Mr. STEIWER. I am fully sensible of the facts thus stated by the Senator, and I think that is the one controlling reason, if not the best reason, why nothing would be gained

by harsh characterization of the acts which have been done up to this time. What we need now is not complaint, it is not punishment, but correction of the evils that exist, and, in order to bring about that correction, I am trying, with the highest respect for all concerned, and in the most friendly way, to criticize the administration of the act and to invite the President to correct these regulations, and to insist that this body shall take such a stand as will result in early and effective action.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. STEIWER. I yield.

Mr. COPELAND. Mr. President, I should be disappointed if the Senator, after this full exposition of all the evils of the present situation, should fail to present an amendment or propose other legislation which will make sure of the correction. I can well understand that by regulation there can be an improvement, but if legislation should be enacted it should be enacted now. We do not want any more of the deaths and suicides and broken hearts suggested by the Senator from Indiana. If we could create a situation by which we can prevent the evils, that certainly would be our duty, as I see it.

Mr. STEIWER. I will, of course, cooperate with the Senator. I should be glad to favor any move to clear up any weakness in the law.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Oregon permit me to ask the Senator from New York a question?

Mr. STEIWER. I yield for that purpose.

Mr. ROBINSON of Indiana. Would the Senator from New York be willing to repeal the entire act and set up again the structure which we had in operation for 12 years?

Mr. COPELAND. Mr. President, I do not hesitate to say I would go very far in that direction because as this law has been applied I am convinced that great cruelty has been practiced. I want to find, just as soon as I can, a way out of this dilemma. It is distressing indeed. May I once more refer to the man whom I mentioned yesterday, an old man who came into my office and I was afraid he would die before he got out of the office, who was cut down from \$50 to \$8. There is something wrong either with the law or the application of it. I want it corrected, and I want it done as soon as possible.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. STEIWER. With pleasure.

Mr. WALSH. The plea the Senator is making for modification is not confined to him alone, although he is doing it ably, nor to Members on that side of the Chamber. On this side of the Chamber Democratic Senators are as anxious and insistent that modifications shall be made of many of these regulations as is the Senator from Oregon.

Mr. STEIWER. That assurance is most happily received and I am glad to feel that I am speaking for other Senators as well as for myself.

Mr. President, I had referred to the part the National Economy League had in bringing about this legislation. The false propaganda put out by that organization undoubtedly created much sentiment in this country against veterans and against the pensions or payments that heretofore had been made to veterans.

The efforts of that organization undoubtedly influenced the planks written in the platform at Chicago. Neither platform supported the non-service-disability allowances. Both, however, declared for just and generous treatment in dealing with disabilities service connected in character. I quote from the Democratic platform:

We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

The Economy Act did not guarantee to those suffering service-connected disabilities the protection declared for in the language quoted. Nor did it necessarily take away that protection. It did, however, by delegation of authority permit the President, by regulation, to make the cuts which have been outlined in my remarks. The President availed himself of his power to order the cuts, and permitted the Veterans' Administration to issue instructions and rating schedules which enforce the cuts, and brought the United States to the humiliating position of repudiating its obligations to those injured in line of duty in military service during the war. Had the Economy Act and the regulations thereunder been formulated in obedience to the declaration of the Democratic platform, this shameless repudiation would not have occurred. I cannot believe that the Democratic majority in Congress intended to repudiate that plank in the Democratic platform, but the President asked that the power to write pension laws, to make rates, and to prescribe the extent of proof and presumptions should be delegated to him, and he promised to exercise the power in a spirit which all could approve. In his message of March 10 he said:

If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

It is evident that the President realizes that Congress was misled and that possibly he himself had been imposed upon by those who prepared the regulations and instructions. I quote from a newspaper clipping of May 11, 1933, from a statement issued by Stephen T. Early, Secretary to the President. The quotation is as follows:

As a result of conferences between the President, the national commander of the American Legion, Louis Johnson, and the Director of the Budget the following conclusions have been reached:

As a result of the application of the veterans' regulations it now seems that the cut in compensation of service-connected World War veterans with specific injuries has been deeper than originally intended. The regulations and schedules in this respect will, therefore, be reviewed so as to effect more equitable levels of payment. Careful study also will be made of the other regulations and their effects.

I want to remind Senators that this statement was made upon May 11. Now we are told by the Senator from South Carolina that the President himself is engaged in making a review of the regulations. In a newspaper article this morning I noted an Associated Press story, in which it is stated that—

Meanwhile President Roosevelt went over the problem of veterans' economies in a lengthy meeting yesterday with members of the House Democratic caucus, at which modifications of the drastic economy regulations were requested.

Mr. BYRNES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. STEIWER. I yield.

Mr. BYRNES. I think the Senator inadvertently misquoted what I stated. I did not intend to state that the President is engaged in a personal review of the regulations. I stated that my information was that he had directed the

Veterans' Administrator to proceed with a review of the cases.

Mr. STEIWER. I think, possibly, the statement I just made and attributed to the Senator from South Carolina was one made by the Democratic leader, the Senator from Arkansas [Mr. ROBINSON], who also gave some assurance to the Senate that the President is interested and his purpose is to rectify the wrongs done to the veterans.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. ROBINSON of Indiana. I cannot agree with my good friend from Oregon, if I understood him aright, that the President may be permitted to escape responsibility for these drastic cuts and injustices. My information—and I mentioned this on the floor and it has never been denied, and I understand it is true—is to the effect that the President's lord high executioner, Mr. Douglas, makes the cut. Then he goes back to the President—and this has happened more than once, unless I am misinformed. The cut might be \$387,000,000, for instance. The President has said to his Budget Director, "That is not enough." He has said that he must have a cut of \$400,000,000, that we must save \$400,000,000 on the veterans, or \$450,000,000, or whatever the figure may be. Mr. Douglas comes back and slices some more, regardless of injustice.

Therefore I say there is just one authority responsible for this injustice in the final analysis, and that is the Chief Executive of the United States, to whom this Congress in a cowardly moment abdicated its authority. If it had been left with the Congress, justice would have been done the veterans. The only way justice can now be done is for the Congress to reclaim its authority, which in the most cowardly fashion it surrendered to the Chief Executive.

Mr. BYRNES. Mr. President, if the Senator from Oregon will yield, I only want to say that every Member of the Senate would know that the Senator from Indiana was not present at the conferences between the President and the Director of the Budget, the details and words of which he relates; but that would not stop the Senator from Indiana from making the statement. When he says it has never been denied, of course no one would ever take the trouble to deny a statement of this nature made by the Senator from Indiana.

Mr. ROBINSON of Indiana. Mr. President, was the Senator from South Carolina present at these conferences with the Director of the Budget?

Mr. BYRNES. No; and because he was not, he would not attempt to quote what was said. The Senator from Indiana would never be restrained from quoting what was said when he was not present, however.

Mr. ROBINSON of Indiana. Then the Senator from South Carolina does not know any more about it than I do.

Mr. BYRNES. And that is my objection—that not knowing anything about it, the Senator proceeds to quote the President of the United States as making statements and does it shamelessly.

Mr. ROBINSON of Indiana. Mr. President, I had it from what seems to be very good authority, and it has never been denied.

Mr. STEIWER. Mr. President, I hope I shall not be asked to yield any further. I shall conclude in just a few moments. It will be patent to all that I am not a party to this discussion between the two Senators with respect to the responsibility of the President.

It will be clear also, I think, to those who have done me the honor to listen this afternoon, that I have not attempted in a harsh or severe way to criticize the President, nor have I even sought to fix the responsibility for the evil that has crept into the administration of this law, nor for the severe injustice and cruelty which have been practiced upon the disabled veterans. I will say that wholly independent of any assumed conversations that may have occurred between the President and the Director of the Bureau of the Budget, without knowing just what part the

Administrator of Veterans' Affairs has had in the whole matter, there are some things about it that are written into the history of our country. We know that the Congress itself passed the Economy Act and is responsible to the extent that it delegated to the President the power to perform duties which in part were legislative in character and to exercise power which in my judgment the Congress should have retained.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. STEIWER. I hope I will not be asked to yield further.

Mr. ASHURST. Just a moment.

If we are subjected to odium and public criticism over the Economy Act, let us not be so cowardly as to blame the President. Let us not be so cowardly as to blame the Budget Director. We did it ourselves. Why be mice instead of men?

If the Economy Act is cruel, we did it. How shameful to see Senators, if they do so, hide behind their desks and hide behind a screen, if they do so, and say, "The Budget Director did it! The President did it!"

One Senator says, "I did not know what I was doing." "If I had known what was going to happen, I would not have done it", says another Senator.

Such alibis will not avail us if condemnation falls upon Senators. Do not blame the President. Do not blame the Budget Director. Let us stand up and take it on the chin. Let us assume responsibility for our own acts. Why not, as men, take whatever blame there is and make effort to repair whatever damage there is?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ASHURST. I have not the floor. I assume my share of the blame, if any. I hide behind no President. I hide behind no Budget Director. I take the blame for any wrong that was done and shall employ my time in trying to correct the injustice, if any, rather than in finding someone to blame for my own acts.

The excuse of blaming someone else for our wrongs, if any, is so stale that it avails nothing.

Mr. LONG. Mr. President, will the Senator yield?

Mr. STEIWER. I do not want to yield further. I hope the Senator will not ask me to yield. I want to conclude, so that I may yield the floor.

Mr. LONG. Just three words: As long as "the light holds out to burn", now that the Senator from Arizona has confessed, why not let the whole gang put themselves of record and clear their consciences? [Laughter.]

Mr. STEIWER. Mr. President, the Senator from Louisiana and the Senator from Indiana, who have been taking some little part with me in the latter phases of this debate, need not offer any defense in their own behalf, because they were 2 among 13, I think, of those who opposed this bill.

Now, I hope Senators will permit me to conclude, so that I may yield the floor.

Whatever may be said of the responsibility of Congress, or the responsibility of the President, or the responsibility of anyone else, the fact remains that Congress passed this law. The fact remains that the President promulgated and signed 12 regulations. The fact remains that these regulations authorized the Veterans' Administration to make the instructions and the rating schedules, and that those instructions have been made, and those schedules have been made, and the Administration has been going forward; and it has resulted in the desperate and shameful situation which we have been complaining about this afternoon. History, therefore, will place the responsibility in the proper place.

Since Mr. Early made his statement, in which he said the President had directed a review of this situation in order to relieve against the harshness and cruelty that is being practiced, almost 3 weeks' time has elapsed—I hope Senators will keep that statement in mind—but the rating schedules have not been changed. No liberalizing regulations have been issued by the President; no liberalizing instructions of

consequence by the Veterans' Administration. I am told unofficially that up to 3 days ago the officers of the Veterans' Administration had received from the President no directions to review, modify, or liberalize the instructions of the rating schedules under which these awards are being reviewed. I hope the Senators from Arkansas and South Carolina are right. I hope that at last there is to be an awakening to a realization of the truth, and that directions have now gone forward, and that an administration will now be had under which we will find a softening of this blow which has been struck against the disabled veterans of our wars.

It is recorded in the newspapers that a certain group of veterans who came to Washington to urge the payment of the adjusted-compensation certificates have been given employment in the civilian conservation corps. Many, if not all, of these men were indigent, and I make no objection to any plan which will provide them employment. The fact remains that they are able-bodied veterans, and it seems exceedingly ungracious that the great Republic of the United States would take away benefits from the sick and maimed veterans whose disabilities have been adjudicated in order to provide money to care for veterans who are admittedly able-bodied.

In the Economy Act there is no definite object clearly set forth except to save money in accordance with the program of the National Economy League. The bill is entitled, "To maintain the credit of the United States." In a financial sense alone it will aid in maintaining the credit of the United States in the money centers and with those who buy Government securities; but its administration is such that it tends to destroy the faith in government of those having the highest right and the strongest claim. That faith will not be restored until the President, in the exercise of the great powers delegated to him, or the Congress, in the exercise of its constitutional authority, brings about a restoration of faith by a program of justice to those who are the Nation's defenders in time of national peril. By justice only will our Government maintain the most exalted credit any nation can know, and that is the credit founded upon the confidence of its own citizens.

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD some material relative to the recent Economy Act, including a letter I have just received from a World War veteran calling attention to the effect of the act on the veterans of all wars. It seems to me to be a cruel and inhuman act for the Government to place most of the burdens of economy on those who risked their lives to defend it, and the law should be repealed.

How droll it seems for our people to be placing their wreaths of esteem on the graves of the country's dead today while the United States Senate is passing an appropriation bill for the boys yet alive that more than cuts their disability pensions in two. Certainly that is not an act of gratitude commensurate with the feelings we today express for our dead.

Under this law the President has the power to soften and make more humane this unjust, cruel, and harsh so-called "economy" at the expense of helpless, bed-ridden veterans and their dependent widows and orphans, and I join the many Senators who have expressed their views here today stating that they did not realize to what an extreme extent this Economy Act would be interpreted. I hope the opportunity will soon be afforded when by our votes we can erase it.

I was opposed to it when it was presented and believe now the only way it can be remedied is by its repeal.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

BONUS EXPEDITIONARY FORCES,
May 27, 1933.

HON. THOMAS D. SCHALL,
United States Senate, Washington, D.C.

DEAR SENATOR: I am sending you a copy of a speech delivered over the radio by William T. Kroll, who is the disbursing officer for the State soldiers' relief fund, on the 6th day of April 1933, setting forth the situation in the State you represent in the Senate

as a result of reductions in payments to veterans because of the recent act of Congress cutting relief for veterans of all wars.

I am sending you this information because you have always supported the veterans in the past and especially so in being among the very few who spoke in favor of the bonus bill that was attempted last year when the so-called "Bonus Expeditionary Forces" were camped in Washington and out of which was born the organization which I now have the honor to be at the head of in Minnesota.

Our plan as an organization is to carry our message to the taxpayers of Minnesota that they may know who is their friend, not only of the veterans but also of the people in general, and in that campaign I hope to take an active part during the coming year. Minnesota people must know what the so-called "economies" in Washington at the veterans' expense have led to. They should know that the cuts in compensation and discharges of World War veterans from the hospitals have thrown a greater burden of taxation on the State of Minnesota and its local communities. The Bonus Expeditionary Force was instrumental, I am proud to say, in almost forcing an act of the last Minnesota Legislature appropriating \$750,000 to help the needy veterans who were thrown helpless upon the streets and highways by the recent economy bill passed by Congress.

Through this act in Minneapolis and St. Paul over 120 World War veterans have been taken into the city hospitals because the economy bill does not allow them to be cared for by the Federal Government. I do not believe that the people of Minnesota realize that \$8,777,100 has been taken out of circulation by the Economy Act. This bill in no sense of the word is an economy bill, for the act completely destroys \$8,777,100 of potential purchasing power. Such an act as this is the very thing that has prolonged tendencies in continuing this so-called "depression."

The chief reason for an Economy Act is to make it better possible for the Government to pay the interest on the tax-exempt bonds of J. P. Morgan and others. The Government was faced with the situation where it had to cut either the interest on bonds, held by the rich, or the payments to the veterans, and it has chosen the latter, put the burden of tax reduction on the man who fought to make the world safe for democracy.

The recent investigations in the Senate have disclosed one of the many loopholes whereby the wealthy dodge their taxes, namely by rigging up losses that they charge up to their incomes in such a way as to leave them without any taxable income and with no taxes to pay. Hence, the peculiar spectacle of seeing America's leading financier, J. P. Morgan, revealing to the country that he paid no taxes, yet reputed to be worth millions. The country must learn to understand this vital point and as an ex-service man interested in the welfare of his country and at the head of an organization of veterans, I shall do all in my feeble power to let the people know this situation and I hope that the State can depend on its Representatives in Washington to stand by them in relieving this situation.

It is my aim and purpose as State commander of the B.E.F. to spend the better part of the next 6 months in carrying on a lecture tour in the State of Minnesota to expose the damnable rot that has been foisted upon the American people. In this tour it shall be our primary aim to organize the World War veterans into strong political units. In this organization work we shall join the hands of the farmer and the laborer, whom we know are already in accord with our movements.

I wish to serve notice upon the State Senate of Minnesota that we absolutely mean business and that this is a fair warning that we shall work together until we have obtained justice and until the American people can be brought to realize the unfounded principles that lie within our Government.

I wish to again take this opportunity to thank and praise you in your clean record for the stand that you have always taken by the farmer, the laborer, and the soldier.

Yours in comradeship.

HERBERT L. MILLINGTON,
State Commander of the B.E.F.

Listeners of the radio world, if there are any grocers, butchers, bakers, doctors, welfare workers, or veterans of any of the five great wars who are not listening, will you please ask them to come and listen in.

I want to thank Department Commander George Brobeck, of the Veterans of Foreign Wars, Dr. Russell R. Helm, of the radio committee, and station WRHM for this opportunity of these few moments to talk about the recent veterans' economy bill and its effect upon the citizenry and taxpayers of Minnesota.

I should like to state that the great majority of war veterans voted for President Roosevelt and have every confidence in his sincerity, and that even though injustices are done in the haste that is necessary in this national emergency, they will be adjusted just as soon as the facts become known to him.

It might be interesting to know that the Federal Government is paying pension and compensation to approximately 5,000 veterans, widows, and orphans of the Spanish and Civil Wars in Minnesota at a present cost of about \$7,000,000 a year, and that 9,822 veterans of the World War are receiving payments averaging \$44 each per month, or \$5,186,016 per year, for disabilities which have been recognized by the United States Government as being incident to military service. Also that 4,921 World War veterans are receiving approximately \$944,632 per year for similar ailments not yet recognized as incident to military service. Figures for widows and orphans of the World War are not yet available.

In Minneapolis alone 3,446 veterans having disabilities incident to the World War now receive payments of compensation amounting annually to \$1,816,957.08, and 1,539 veterans not yet recognized as having war disabilities are receiving \$338,856 per year.

In St. Paul 1,348 veterans having disabilities incident to war receive \$688,013.04; 745 veterans with disabilities not yet recognized receive \$148,104.

If there were time on this radio quarter hour, we might be able to give you the exact pay roll in every city in Minnesota, but the time is limited so I am going to give you just a few instances:

In Grand Rapids, Minn., 56 veterans receive \$44,369.32 per year; doctors in that city are paid \$837; and supplies purchased for veterans in that city amount to \$139.25 per year.

In Madison, Minn., 17 disabled veterans are paid a total of \$7,371 per annum.

In Little Falls 57 veterans who are disabled receive \$20,769.84 per annum.

In Dawson, Minn., nine veterans receive \$3,996 per annum.

In St. Cloud, Minn., 144 disabled veterans receive \$54,597.20 per year.

In Wadena 22 disabled veterans receive \$8,818.60 per year.

Now, in Minneapolis, in addition to the amounts which I previously stated, doctors and local hospitals are paid \$11,971.95; merchants, particularly those handling foodstuffs, are paid \$101,403.60. None of these figures include the pro rata share that is paid to widows and orphans of all wars and to veterans of the Civil and Spanish Wars and other wars or expeditions of the military forces of the country. Minnesota pays the Federal Government in direct taxes \$13,000,000 per year, and receives, in addition to veterans' benefits, \$19,000,000 per year.

It is conservatively and quite accurately estimated that only 5 percent of veterans drawing compensation are employed or have any other source of income except their pension or allowance from the Government. More than 50 percent of all of these veterans are too incapacitated because of age or disability to do any work at all, and not much more than 25 percent could do part-time work if such part-time work was available.

Practically all corporations or institutions employing numbers of men will not hire men who are even partially disabled because of the industrial hazard under the State laws.

Under the regulations which have just been issued and which we have studied diligently these last 48 hours, approximately 4,500 veterans or widows of the Spanish War who are now drawing \$50 and \$60 per month and who are too old to work will be cut off from the Government pay rolls as of July 1, meaning a loss to the merchants of Minnesota of more than \$3,500,000. About 500 others of these veterans of the Spanish War who are over 62 years of age will be reduced from the above rates to \$6 per month. About 25 percent of this 4,500 generally will be able to get along, but the other 3,300 will have to go on the bread lines with the other unemployed citizens, and some method will have to be found to raise additional funds to feed, shelter, and clothe their families. This at a cost averaging about \$30 per month to the relief departments of the city and county.

Four thousand three hundred and thirty-six veterans of the World War, most of them with families, and now receiving an average of \$16 per month, will be separated from the Government pay rolls, and the bread lines of the various committees will have to raise a similar amount to furnish the bare necessities for these families.

Five hundred and eighty-five veterans now receiving \$40 per month because of being permanently and totally disabled will be reduced to \$20 per month, and as the most of these families consist of five persons, an average of \$10 per family per month, will have to be raised by charities to take care of them.

Of the 9,822 veterans' families now drawing compensation for disabilities previously determined to be due to service, 5,339 will be removed from the pay rolls because they were connected as presumptive cases.

This number receive an average of \$44 per month. It will cost the taxpayers and people of Minnesota an average of \$30 per month to take care of these families and only furnishing them with the bare necessities of life. Five hundred and fifty-four other veterans of this same class, because of permanent and total disability, will be reduced from \$100 per month to \$20 per month.

The net loss to the merchants, the hospitals, the doctors of Minnesota because of these reductions will amount to \$6,000,000 per year, and this does not include any loss that may be caused by the taking of widows and orphans from the rolls of the Government.

The lowest estimate possible as to the cost of taking care of these veterans and their families on the same basis that persons are now being taken care of in the poor-relief lines of the various cities and townships is the raising for relief funds immediately in addition to those now being raised \$1,339,936 per year.

This does not take into consideration the fact that the hospitals have been closed to the treatment of disabled veterans except those with service-connected disabilities or those who are so disabled that they must go to a soldiers' home for the balance of their lives.

Only last Monday the Bureau denied treatment to 125 veterans who are totally disabled and who have needed treatment 2 or 3 times a week in an out-patient clinic. In the early part of this evening, 50 of these men reported to the University Clinic, and many of these men have gone to the Ancker Hospital in St. Paul and the General Hospital in Minneapolis. Some of them have gone to private doctors and the doctors appreciating the fact that these veterans did not have money to pay for treatments and

medicines are treating them free of charge, in some instances even paying for the prescriptions and medicines needed.

This is commendable upon the part of the medical profession, and I hope that throughout the State they will be as merciful as these doctors in the city have been.

A short time ago the Star had a letter stating that only 5 percent of the veterans in the veterans' hospital had seen active service. I checked this up and found that out of 553 patients 287 had actually seen front-line service and 99 others had served overseas or in the Navy in the submarine zone.

Ordinarily there would have been admitted to the veterans' hospital here between the date of enactment of the economy bill and the present date, 115 moderately serious cases, but due to this act only 54 were admitted as emergency during that time, and during the same period 100 were discharged and 7 died. I am speaking of the period from March 20 to April 5. Most of these veterans are broke and are seeking treatment through private sources and the charity of hospitals and doctors.

According to these new regulations the monetary reduction will not be effective until July 1, and it will be in August and September that this situation is most seriously felt. It is hoped that the governments of the States, cities, towns, counties, and townships will raise funds sufficient to keep these disabled veterans from starving, going without shelter, clothes, and medical care.

It is suggested to those veterans who get notices that awards are to be materially reduced or terminated, that in order that our good President may know of the situation existing each veteran write a letter telling the history of his disabilities and the economical condition of himself and his family to the President of the United States, Congressmen HODALE, CHRISTENSEN, and KNUTSON, who voted with the masses in supporting the administration, so that these good gentlemen may be able to assist in making any needed and justifiable changes in Executive orders and regulations.

To the public generally and to those veterans who have not yet affiliated themselves with veterans' organizations, I wish to say that while previously veterans' organizations had minor differences in programs and opinions, the seriousness of this situation has united them and the membership of each of these organizations is growing rapidly. The membership of the Veterans of Foreign Wars at the present time is growing more rapidly than the membership of the other veterans' organizations.

In organized veteranhood there are 2½ millions of veterans of the wars and three fourths of a million of ladies in the auxiliary. This represents an actual cross section of every walk of life of these United States. They are called the organized minority, but they have many times the membership of the Medical Association, Bankers' Association, and the Chamber of Commerce, who represent themselves to be the representatives of the country at large.

The veterans are pledged to economy and they have asked me to state that they hope by reducing interest rates on Government securities, taking away of tax exemptions, reduction of rates of public utilities, and by taking the profit out of war through conscripting of both property and wealth in time of war they, too, may contribute their bit toward the financial stability and return to prosperity of our glorious country.

In closing I want to plead with the doctors, with the hospitals, with the public-welfare boards, to make arrangements in advance for treatment and at least the bare necessities of life for these veterans of wars who are unable because of disability to earn their livelihood and the livelihood of their families.

I want to plead with the veterans who are employed to join the veterans' organizations to which they are eligible. If you know of a veteran who does not belong and he does not want to join your veterans' organization, sign him up for one of the other veterans' organizations.

I want to further plead with veterans and their dependents to take an active part in the public life of their community, the State, and the Nation. Attend the political rallies; work actively in favor of the candidate for public office who will pledge himself or herself to the interests of the small merchant and the interests of the great middle class who own modest homes and work in the offices, stores, factories, and on farms.

Thank you again, Veterans of Foreign Wars, for this time on your program.

WILLIAM T. KROLL.

[Excerpt from the Washington Star for May 26, 1933]

Under the regulations drafted by President Roosevelt the veteran has only the right to one appeal of his case, and this must be confined to claims involving benefits and not on the basis of the rating given him on the degree of disability.

In order to determine the number of cases of combat disability being reduced the veterans' organizations have conducted a survey by questionnaire sent to the Administration's various regional offices. An analysis of this study completed from reports sent in by 15 regional offices in various sections of the country is as follows:

The number of cases so far reviewed is 14,227; number of war-connected compensation cases discontinued, 6,258; number to receive nonservice war-time \$20 permanent total award, 289; number to receive service-connected war-time pension, 7,427.

The monthly allowance previously paid service-connected pensioners, \$344,908.35. New amount, according to the analysis, to be paid this group, \$160,470.

The study showed that 44 percent of the cases reviewed were removed from the rolls either because of breaking service con-

nection or rated no percent; 2 percent remain on the rolls for the \$20 permanent non-service-connected award, and 54 percent will remain on the rolls for war-time service-connected pensions, but at a reduced rate as follows:

Average monthly rate under old system, \$46.

Average monthly rate under new system, \$21, or a reduction in money payments of 54 percent.

APPEAL TO PRESIDENT

So drastic were cuts affecting the combat-injured veterans that the veterans' organization recently appealed directly to President Roosevelt for a more liberal ruling. The President readily complied by raising the rating percentage by 10 percent and promising a review.

Under the new ruling veterans who were classified as 10 to 15 percent disabled are given a rating of 10 percent. Those rated from 20 to 35 percent are granted 25 percent; those rated from 35 to 60 percent are given 50 percent; and those from 65 to 80 percent are allowed 75 percent.

Under the old ruling veterans who were classified as 10 to 20 percent disabled were rated 10 percent; those from 25 to 45 were rated 25 percent; and those judged 50 to 70 percent were rated 50 percent.

Because of the lack of time, it was explained, the rating or reviewing boards, composed of 2 laymen and 1 physician each, are not calling on the veterans to appear in person. Instead only his record is studied in determining his new disability percentage.

WORK IS MACHINELIKE

The average board's work is machinelike, and its decisions are limited to the rulings handed down by the Veterans' Administration. A sample rating sheet furnished the boards by the administration shows that John Doughboy in combat was hit by a shrapnel, resulting in the following injuries:

Enucleation of right-eye scars, multiple, disfiguring right forehead and foreign body retained in right cheek. His skull was fractured, resulting with a loss of bone the size of a silver dollar but without hernia of brain. He also received a gunshot wound in right shoulder, moderately severe, which later caused arthritis or other complications to set in. In falling down in a shell hole or straining to remove himself from the line of fire he developed a hernia.

The combined rating for this war-torn veteran, according to the rating sheet, is 75 percent.

For a veteran whose leg was amputated on the battlefield, the rating board may, in its discretion, award a total of 10 to 20 percent disability. He formerly received from 40 to 60 percent disability.

The average bullet-scarred veteran in Washington has no grievance against the Veterans' Administration because in their opinion, this Bureau is merely following out orders. However, the rating board's action in cutting the combat disabled is causing many to flock here to join their local comrades in protests. Unable to obtain a hearing prior to July 1, when the new rating becomes effective, they are to be found at the headquarters of the three veterans' organizations.

VETERANS ARE INTERVIEWED

The Star reporter yesterday interviewed more than 50, who said their compensations had been cut. One veteran, whose right leg was amputated in the Meuse-Argonne drive, said he had been cut from \$80 to \$40. Another who developed ankelosis following a leg wound, causing the kneecap to be removed, displayed his rating-board notice that he had been cut from \$67 to \$20 a month.

A father of five children, whose hip was shot away in the St. Mihiel drive, has been reduced, he said, from \$68 to \$40. He is now attempting to complete payments on a little house in nearby Virginia, which he purchased several years ago, he declared.

In the Meuse-Argonne a shrapnel cut off the face of a Washington veteran. When he left the operating table surgeons had removed his lower jaw and part of his tongue. They patched him up the best they could, but, he said, since he has been home he has never dined with his wife and two children because of his unwholesome appearance. He is now receiving \$100 a month. The new rating, according to his notice, reduced his disability to 80 percent.

Another veteran, who said he enlisted at the age of 39 years, received a severe gunshot wound in the right thigh, with marked loss of muscle, leaving a tumor of the bone. This has resulted in the knee joint to stiffen badly, he said. He also received gunshot wound in the right hand, which has caused a palsied condition. He said he was drawing \$58 a month for many years. He will draw \$20 a month after July 1, according to his new rating.

SIX COMPANIONS KILLED

On October 15, 1918, another veteran with six comrades were occupying a shell hole in the Argonne. A German shell exploded, killing, according to his records, his six comrades and severely wounding him. He has very extensive and unsightly wounds and scars, with muscle destruction of left arm, shoulder, and back, rendering his left side useless for work. He was drawing \$67 for this disability. After July 1, according to his new rating, his pension has been set at \$8.

Although the independent offices bill has passed the House, the measure is slated for a stiff fight, especially on veterans' appropriations, when it is called up on the floor of the Senate next week and when it is returned to the House. It was learned on Capitol Hill last night that the veterans' organizations are prepared to fight to raise the sum allotted for World War veterans

at least \$60,000,000 in order to prevent the combat wounded from suffering. If such sum is obtained, it is held that the average disabled man will receive \$44 a month.

WOULD BLOCK CUTS—SPANISH WAR VETERANS TO SEEK INJUNCTION AGAINST ECONOMY ACT

STOCKTON, CALIF., May 26.—A court injunction to prevent President Roosevelt carrying out provisions of the National Economy Act which would reduce and eliminate pensions paid to Spanish-American War veterans was recommended in a resolution passed at the closing session of the thirtieth annual State encampment of the United Spanish War Veterans here late Wednesday.

The resolution declares the Economy Act seeks to assign to the President powers conferred on Congress by the Constitution.

It was recommended injunctions be sought immediately by the organization's national legislative committee. The injunctions are designed to hold off action by President Roosevelt until constitutionality of the act is determined.

[Excerpt from the New York Times for Sunday, May 28, 1933]

William Conley, of Los Angeles, national commander of the Disabled American Veterans, said today in a statement:

"As soon as the regulations were issued on the act of March 20 the Disabled American Veterans publicly stated that the orders were among the most indefensible actions ever taken by the Federal Government.

"At no time have we opposed a survey of the old laws in a search for reasonable economies, but we insisted upon a delicate operation instead of the use of a hacksaw."

Mr. ROBINSON of Indiana. Mr. President, I have a petition from a number of citizens of California asking that all service-connected disabled veterans be restored to their former benefits, and I ask that the communication be incorporated in the RECORD, without the signatures, and appropriately referred.

There being no objection, the petition was referred to the Committee on Finance, and the body thereof was ordered to be printed in the RECORD as follows:

DISABLED AMERICAN VETERANS OF THE WORLD WAR,
DEPARTMENT OF CALIFORNIA, INC.,
Los Angeles, Calif., May 24, 1933.

HON. ARTHUR ROBINSON,
United States Senate, Washington, D.C.

MY DEAR SENATOR: Enclosed find petitions from citizens of the United States and residents of the State of California, signed by 139 voters.

Respectfully yours,

C. BERT ALLEN,
Department Adjutant Treasurer.

A PETITION TO THE UNITED STATES SENATE AND THE UNITED STATES HOUSE OF REPRESENTATIVES FROM THE PEOPLE OF CALIFORNIA TO RESTORE TO ALL SERVICE-CONNECTED DISABLED VETERANS THEIR FORMER BENEFITS, PRIVILEGES, SCHEDULES, RATINGS, ETC.

We, the undersigned citizens of the United States of America, residents and voters of the State of California, do hereby affix our signatures and thereby protest certain phases of the so-called "Economy Act regulations", particularly insofar as they pertain to the legitimately service-connected disabled veterans, and we do hereby further petition the United States Senate and the United States House of Representatives to take such action as is necessary to revise the aforesaid regulations, and/or the Economy Act itself, so that there shall be restored to all veterans who were actually disabled in the military or naval service their former benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions heretofore enjoyed by them and existent prior to the enactment of said Economy Act.

Mr. ROBINSON of Indiana. Mr. President, I also have a resolution signed by George S. Murphy, commander, and Jackson Smith, adjutant, of Los Angeles, Calif., which I ask to be incorporated in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the regulations applied to the operation of section 10, title I, of the Economy Act (Public, No. 2, 73d Cong.) make it mandatory to show a "causative factor" for the disabilities arising out of the performance of duty during service; and

Whereas this requirement is an innovation in disabled veteran legislation directed only at one class of officers who were disabled as a result of service in the World War; no such restriction is placed on retirement of Regular Army, Navy, or Marine Corps officers, neither should there be; and

Whereas nothing was mentioned about "causative factor" in the law which passed Congress last March, and the insertion of such a provision in the regulations is a ruthless discrimination against the permanently disabled emergency officers of the World War, in that it almost entirely eliminates medical disabilities from the benefits of this section; and

Whereas, according to the best medical judgment, it is impossible in the great majority of cases to establish the direct cause, with date and place, of the various medical diseases. Direct military duty should be sufficient "causative factor" in medical disabilities heretofore compensated unless ample proof is produced to rebut this: Now, therefore, be it

Resolved by the Southern California Chapter, Disabled Emergency Officers of the World War, in general meeting assembled this 24th day of May 1933, That we request the elimination of this "causative factor" requirement in the consideration of claims under section 10 and regulation 5 of the Economy Act of March 20, 1933; and be it further

Resolved, That copies of this resolution be sent to the President of the United States; the United States Senators from California; Senator ARTHUR R. ROBINSON, of Indiana; the Members of Congress from California; and the Director of the Veterans' Administration respectfully requesting they look into this discriminatory requirement and eliminate it.

[SEAL]

GEORGE S. MURPHY, Commander.
JACKSON SMITH, Adjutant.

LOS ANGELES, CALIF., May 24, 1933.

Mr. BONE obtained the floor.

Mr. BYRNES. Mr. President, I want to ask the Senator from Washington whether he expects to address the Senate at any length?

Mr. BONE. For not to exceed 10 minutes.

Mr. BYRNES. I wanted to say to the Senator that I know there are several Senators who desire to address the Senate on the veterans' provision in the bill, and I would ask whether we may not consider amendments other than the veterans' amendment if the Senator from Washington is to speak on that amendment, and get the others out of the way, so that tomorrow those Senators who desire to speak on that subject may do so, and we may have no other committee amendments to consider?

Mr. BONE. Mr. President, I want to speak on the bill, and my remarks will be very brief.

Mr. CUTTING. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. CUTTING. I want to give notice of a motion to suspend the rules, which I intend to make tomorrow, and in doing so I should like to say just a word in tribute to the distinguished Senator from Oregon [Mr. STEIWER], who has just addressed the Senate.

Mr. President, the Senator from Oregon has clearly and temperately stated the situation as it exists with regard to the veterans' regulations issued under the so-called "Economy Act." I praise the Senator from Oregon, not only for his address but for the fine statement which he has just made, urging that Congress do not adjourn until either the Economy Act be liberalized or the regulations issued thereunder be modified.

I have sent to the desk a motion for suspension of the rules, which I intend to offer, and I ask to have it read at the present time.

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Without objection, the clerk will read the notice of a motion to suspend the rules.

The legislative clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H.R. 5389), the independent offices appropriation bill, the following amendment, viz, at the proper place to insert the following:

"Section 17 of title I of the act approved March 20, 1933, entitled 'An act to maintain the credit of the United States Government', is amended by adding at the end of the section the following:

"Nothing in this act shall authorize the President to reduce to a degree greater than 25 percent the compensation, pension, or allowance of any veteran or dependent of a veteran whose disability has hitherto been traced officially to direct connection with military or naval service (otherwise than by benefit of presumption)."

Mr. CUTTING. Mr. President, may I say that the amendment will be offered on behalf of the Senator from Missouri [Mr. CLARK] and myself.

Mr. WALSH. Mr. President, I understand the Senator's amendment will apply only to service-connected disabilities?

Mr. CUTTING. To disabilities directly service connected.

Mr. WALSH. And would restrict the President to making deductions within 25 percent?

Mr. CUTTING. Not over 25 percent.

Mr. WALSH. Of the present rating?

Mr. CUTTING. That is correct.

Mr. BONE. Mr. President, we find ourselves now considering House bill 5389, making appropriations for the Executive Office and certain bureaus, boards, and commissions of the Government, among which are numbered the Veterans' Administration and the United States Shipping Board. In the consideration of this measure we shall have to face again the problem of ways and means of financing the fiscal program of the Government, including the program of payment of compensation and pensions to veterans, and it becomes a matter of vital importance to us all, and certainly a matter of vital importance to the people of this country, whether or not the economies which the Government now is practicing and proposes to practice, shall be effected solely at the expense of those who so far have been compelled to bear the brunt of these economies, namely, the veterans of this country, and the wage workers employed by the United States Government.

I find riding gaily along in the pending bill an item of \$50,000,000 to continue the work under the Jones-White Shipping Act, passed a great many years ago, which, in effect, provides for a continuation of the great subsidies which the Government has been paying and is now paying shipping lines for operating boats bought from this Government for a tiny fraction of their cost to the Government, and apparently no part of the economy program is to be visited upon these shipping lines.

I call the attention of Senators to just one particular item in this program of shipping subsidies. It affects a steamship company operating on the Atlantic coast not far from the city of Washington. This particular company recently bought five magnificent steel steamships from the United States Government, steamers which cost nearly two and a quarter million dollars apiece, and this company, which is now enjoying fat subsidies out of the Treasury of the United States, subsidies which are not to be compelled to share in this economy program, paid for these steamers, which cost this Government nearly two and a quarter million dollars, the sum of \$30,000 apiece, or exactly one seventieth of their cost to this Government.

Mr. President, that company, operating under this present subsidy, which is not to be touched in this economy program, will receive in the next 10 years over \$11,000,000 out of the United States Treasury at the rate we are now paying that company. This vast sum of \$11,000,000 paid to this company will be in mail subsidies, none of which, apparently, are to be affected by the economy program, which has been imposed solely on the veterans.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. McKELLAR. If the Senator will look at page 53 of the bill, he will find that the House provision gives the President the power to change these contracts. Unfortunately, the Senate committee, by a vote of 8 to 7, as I remember, struck out that provision. I hope the Senator will help us restore the provision of the House text.

Mr. BONE. Mr. President, I am going to present tomorrow an amendment to the bill striking \$45,000,000 out of the \$50,000,000 now being appropriated for the payment of these ship subsidies. I for one am weary of spirit at the picture of this Government's paying such subsidies in its hour of peril, when soldiers who offered their bodies for the Government and have sustained wounds of the character described by the Senator from Oregon are getting \$8 a month. I do not want the spectacle continued any longer of this Government's paying Pierpont Morgan or his associates, as the case may be, \$117,000 a pound for hauling mail in boats which he bought for one seventieth of their cost.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. BLACK. I desire to call the Senator's attention to the fact that in 1931 one company was receiving a subsidy of \$1,200,000 owned by 1 man except for 2 or 3 nominal stockholders who had directorships. That man received in dividends and salaries and for personal expenses \$182,000 out of a subsidy of \$1,200,000.

Mr. BONE. Mr. President, I will say to the Senator that I am wholly familiar with the activities of the dollar-a-year patriots who plundered this Government very effectively during the war in the sacred name of patriotism.

The particular company concerning which I have spoken is now prosecuting in one of the district courts of this country a suit against the Government to re-form a loan contract made by this Government with that company, whereunder it loaned them millions of dollars at 3 percent per annum, and that company is now, under one of these very peculiar provisions of the Jones-White Act, endeavoring to reduce the interest rate to one half of 1 percent per annum. That company is the beneficiary of these bounties and subsidies at the hands of this Government, which we are assured here day by day is going broke. If that suit shall be successful and that company enabled to take out of our Treasury millions of dollars in loans at one half of 1 percent, when this Government is compelled to pay 4¼ percent for the use of money from the bankers who, directly or indirectly, own the steamship company, we are going to present to this country a most peculiar picture, one at least which the veterans and wage workers of this country will never understand. If that suit be successful and this company is permitted to continue these loans at one half of 1 percent, while the Government is paying 8 to 10 times that amount for money, the time has arrived to make a drastic change in the laws that permit these horrible things to exist in this our hour of financial peril.

Mr. President, I said to the Senate that I was going to be very brief, and I am now going to proceed to make good that statement.

Mr. President, the consideration of this bill, like the consideration of all the legislation taken up at this extraordinary session of the Congress, is colored by the knowledge that our country and our institutions have been facing a supreme economic and social crisis. We have been waging a war on many fronts for the preservation of American institutions.

Today the Nation pauses in this most momentous of its struggles for self-preservation to honor those who died that the Republic might live. In hundreds of cemeteries flower-wreathed headstones give evidence that the men who died for the preservation of liberty and for equality of opportunity are not forgotten. But, Mr. President, I have wondered often of late whether this Republic is not forgetting the principles for which these men died, even in the moments when it places laurel wreaths on their tombstones.

Last night I stood on the steps of the Lincoln Memorial. I looked upon the stone face of the stone image which sits enshrined in that temple. I could not repress a shudder as the thought occurred to me that, impressive as the statue is, cold stone could never adequately express the much more enduring spiritual thing that was Lincoln. I wondered then, as I wonder now on the floor of the United States Senate, while I listen to the consideration of this bill, whether the hearts and the minds of the economic rulers of this Republic are not like that statue, having the outward forms of democracy, of individual liberty, of equality of opportunity, but actually being as cold, as heartless, and as much without the living spirit as cold marble.

Mr. President, today would be a mockery, the tenderest feelings, the noblest purposes that animate the human heart would be purposeless and perverted if the only contribution we make to the memory of the men who died for equality of opportunity, is to place perishable flowers on their graves. These men did not die to earn either wordy or floral bouquets. They died that their children might

have a better place in which to live; that these children might have the opportunity to earn a living—the right to life, liberty, and the pursuit of happiness.

Mr. President, the right to earn a living has been denied to the children of the men who died, and whose memory we honor today. As I read some of the facts brought out by the Committee on Banking and Currency, I wonder if the state of this Republic today does not dishonor, rather than honor, the memory of those who have been, and those who are, ready to die—not for this Republic, but for the principles for which this Republic is said to stand.

Mr. President, whenever men have died for the safety of this Republic other men in America have fattened and battered. I do not say that they did this illegally. I do say that always, when some have been sacrificing and fighting for America, others were taking advantage of the needs of the Nation to grow rich, to stay at home, and to undermine the very principles for which patriots were dying. These people contributed little to the common cause except at a price—their own price.

Today I call upon those who have great wealth, those who have profited out of wars, to make some actual contribution to the safety of the Republic which has treated them so generously. I call upon the big bankers, who have been proven to be the real economic masters of America, to help our country in this dark hour.

Last night, as I looked upon the statue of Lincoln, the thought occurred to me that it would be a fine thing if the Committee on Banking and Currency could tomorrow night take J. P. Morgan and his Wall Street associates to the place where I stood on the steps of that temple, and leave them there, alone, to look upon that statue. If I remember well, J. P. Morgan's father had business dealings with the Federal Government during the Civil War, while Lincoln was in the White House. My own father, like the fathers of many of us, was fighting at Antietam, Gettysburg, and Spottsylvania Court House. At that time the Government borrowed money from J. P. Morgan & Co. The Government is still borrowing money from J. P. Morgan & Co. Last winter the Government owed to the House of Morgan, alone—I do not include in this figure the money our country owes to the individual partners, the associates, and the connections of the House of Morgan—something over \$224,000,000.

Mr. President, there lies on the table of the Senate a resolution I have introduced requesting the Secretary of the Treasury to call immediately upon holders of Government bonds, particularly those issued to finance the World War, to exchange their bonds for new bonds of an issue to be known as the new Liberty Loan of 1933, and bearing a lower rate of interest which would effect a saving as nearly as possible sufficient to service such additional loans as may be made necessary by the pending public-works program, and such other emergency needs of the Government as the President may see fit to prescribe.

The purpose of this resolution, Mr. President, is to afford to patriotic Americans who have loaned money to the country the opportunity to share in the sacrifices we must all make if this Republic is to be preserved.

I here and now publicly call upon J. P. Morgan & Co., as the foremost financiers and money lenders in America, to be the first to undertake this new Liberty Loan drive. I publicly call upon them, who have profited most out of the needs of this Republic, to be the first among the economic rulers of this country to recognize the need for a new deal—a new democracy. I call upon them here, now, publicly, voluntarily to turn their bonds into the Treasury of the Republic, with the announcement that they are not indeed, as many have heatedly asserted, mere Shylocks, but are willing to take less interest than the bond stipulates. This interest is the common burden of all of us. The Government can, and does, by taxation, destroy industry, destroy the worker, destroy the farmer, in order to take from them the money with which this interest must be paid.

I make this call upon J. P. Morgan because his name is now in the public prints as one who during the past 2 or 3

years, in the darkest hours of this Republic, contributed little to the common need.

Actually, J. P. Morgan could not be the first to make such a contribution. On this day—Memorial Day—men who gave their arms, legs, eyes, and health are being called upon to make further sacrifices—great sacrifices—under the terms of the economy bill. Some of the savings, resulting from these sacrifices, will be used to pay interest to J. P. Morgan & Co. and to others who have this Government in their debt.

I call upon the money lenders of America on this day not to insist upon the letter of the bond, not to accept as the price of their money bread taken from the mouths, dollars taken from the pockets of those of their fellow citizens who have greater need than they. I call upon them to make it unnecessary for the Senate to pass the resolution that now lies on the table by voluntarily offering to accept less than a full pound of the flesh of their fellows, when the very safety of our institutions would be at stake were too much of such bloodless bloodletting to continue.

I warn the money masters of America—and I use a favored expression of their own—that if they tax the American people beyond their capacity to pay there may result in America the same consequences which they so direly and dourly predict will occur in Europe if America attempts to collect its debts from its European debtors.

Mr. President, I hope that Mr. Morgan will hear and heed this demand I make upon him today in the name of the hungry and the hopeless—in the name of our country.

I hope that it will not be necessary before this extraordinary session closes for me to call my resolution from the table. I hope that before long, under the leadership of Franklin D. Roosevelt, this Congress will be applying itself to the consideration of ways by which lives of our people may be made fuller and happier, rather than to ways by which new sacrifices—new necessary but inhuman economies—may be effected in order that the Republic may be preserved at whatever price in human self-denial and suffering.

Mr. President, I now send to the desk notice in writing of a motion to suspend the rule, particularly rule XVI, which I ask may be read.

The PRESIDING OFFICER. The clerk will read, as requested.

The legislative clerk read the "notice of motion to suspend rules", as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 1 of rule XVI for the purpose of proposing to the independent offices appropriation bill, H.R. 5389, the following amendment, viz, on page 48, line 18, strike out "\$231,730,000" and insert in lieu thereof the numerals "\$276,730,000"; and on page 50, line 13, strike out "\$493,988,000" and insert "\$538,988,000."

Mr. TRAMMELL. Mr. President, I send to the desk and ask to have read, in accordance with the rule, a notice of a motion to suspend the rules for the purpose of offering an amendment.

The PRESIDING OFFICER. The notice of the Senator from Florida will be read.

The Chief Clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 5389), the independent offices appropriation bill, the following amendment, viz:

On page 61, between lines 6 and 7, add a new section, as follows:

"That title I of Public No. 2, is hereby amended by adding thereto the following:

"Sec. 21. That regardless of any provisions embraced in title I, of an act to maintain the credit of the United States Government, being Public No. 2, Seventy-third Congress, the compensation of those veterans who on March 20, 1933, were drawing compensation on account of service-connected disability shall not be reduced more than 10 percent. In any review of a veteran's case by the Veterans' Administration with a view to reducing the rating of or change the cause of his disability the burden of proof shall rest upon the Government."

Mr. TRAMMELL. Mr. President, I desire to address the Senate for a moment on the amendment which is the subject of my notice of motion to suspend the rules.

The proposed amendment which I have just sent to the desk has in contemplation not only the question of restricting and limiting the amount of reduction that may be made in service-connected cases, but it also provides that when the Veterans' Bureau seeks a revision of the rating of a veteran, or the cause of the disability, the burden of proof shall be upon the Government.

According to the correspondence which I have been having with the Veterans' Bureau on account of a great many veterans appealing to me, it occurs to me that the Government, through its Veterans' Bureau, is executing many of these veterans without giving them a trial and without giving them a hearing, although they have previously presented their cases, the cases were considered upon the evidence, and the Government's agency, the Veterans' Bureau, decided that they were service-connected cases and gave them compensation upon the ground that they were service-connected cases. Yet in my correspondence—I have not it here; I had expected to have it here at another time—I have a number of letters from the Veterans' Bureau in which they notify a person that his compensation will be reduced, in one instance—that of a man who was unfortunate enough to be practically totally blind—from \$90 to \$20 a month; and when I take the case up with them they acknowledge that it is service connected. They not only advise me, however, that they are making a reduction from \$90 to \$20 a month in a case of that kind, acknowledging that it is a service-connected case, but they also advise him that that will be the rate until June 30, and thereafter what he will receive will depend upon the action of the Veterans' Administration.

In other instances they have also begun to call on veterans for new proof. They are attempting to require service-connection to be reestablished by veterans who have already established service connection, and have been granted compensation upon the proof they have heretofore offered and which was acknowledged as being sufficient to support their claim.

In cases of that character I think we should have legislation that will shift the burden of proof where it properly belongs, in all right and justice, upon the Veterans' Bureau, to establish that these men are not entitled to compensation on account of service connection. That, as the Senator from Maryland [Mr. Tydings] says, is where they have already received compensation, and it was granted to them upon a service-connected disability. I can see no justice or right in requiring them to go into the question of furnishing further proof and reestablishing their service-connected disability. Therefore, I think we should specifically provide, in a change in the law, that the burden of proof is upon the Government if they desire to attack the matter of service connection; and I have incorporated that in the amendment which I propose.

Mr. BYRNES. Mr. President, I ask that the reading of the bill be resumed.

The PRESIDING OFFICER. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The pending amendment of the Committee on Appropriations was, on page 46, line 21, after the word "exceed", to strike out "\$5,000" and insert "\$15,000", so as to make the further proviso read:

Provided further, That the appropriations herein made for medical and hospital services under the jurisdiction of the Veterans' Administration shall be available, not to exceed \$15,000, for experimental purposes to determine the value of certain types of treatment.

The amendment was agreed to.

The next amendment was, on page 48, line 21, after the word "purpose", to strike out the comma and the words "and the amount so expended shall be accounted for separately", so as to read:

Pensions: For the payment of pensions, gratuities, and allowances, now authorized under any act of Congress, or regulation of the President based thereon, or which may hereafter be authorized, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in

the Veterans' Administration, \$231,730,000, to be immediately available: *Provided*, That Navy pensions shall be paid from the income of the Navy pension fund, so far as the same shall be sufficient for that purpose.

The amendment was agreed to.

The next amendment was, on page 50, at the end of line 13, to change the total appropriation for military services under the Veterans' Administration from \$485,988,000 to \$493,988,000.

The amendment was agreed to.

The next amendment was, on page 50, line 22, to change the total appropriation for the Veterans' Administration from \$506,838,000 to \$514,838,000.

The amendment was agreed to.

The next amendment was, on page 51, at the end of line 1, to change the total appropriation under this act from \$535,573,936 to \$543,740,936.

The amendment was agreed to.

The next amendment was, on page 51, after line 2, to strike out:

Sec. 2. That, except as hereinbefore provided, in the expenditure of appropriations in this act the head of every bureau, agency, or independent establishment shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. JOHNSON. Mr. President, may I inquire why the particular section is stricken out? And before I make the inquiry, may I ask how late the Senator intends to have the session continue?

Mr. BYRNES. Only a short time longer. There are only a few committee amendments left.

The reason for the elimination of this section is that the Treasury and Post Office appropriation bill contains the amendment offered by the Senator from California, which is comprehensive in its scope, and includes everything contained in this one. Therefore there is no excuse for continuing this one.

Mr. JOHNSON. That is exactly what I desired to know. The legislation we adopted before, which becomes law, is general in character, and is applicable to this bill.

Mr. BYRNES. And much broader in its language.

Mr. JOHNSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 52, line 11, after the word "Acts", to insert "or the District of Columbia Appropriation Act for the fiscal year 1934", and in line 14, after the word "Government", to insert "or the Government of the District of Columbia", so as to make the section read:

Sec. 3. No part of the appropriations contained in this act or prior appropriation acts or the District of Columbia Appropriation Act for the fiscal year 1934 shall be used to pay any increase in the salary of any officer or employee of the United States Government or the government of the District of Columbia by reason of the reallocation of the position of such officer or employee to a higher grade after June 30, 1932, by the Personnel Classification Board or the Civil Service Commission, and salaries paid accordingly shall be payment in full.

The amendment was agreed to.

The next amendment was, at the top of page 53, to strike out:

Sec. 6. Whenever it shall appear to the President, in respect of any contract entered into by the United States prior to the date of enactment of this act for the transportation of persons and/or things, that the full performance of such contract is not required in the public interest, and that modification or cancellation of such contract will result in substantial savings to the United States, the President is hereby authorized, in his discretion, on or before April 30, 1935, to modify or cancel such contract. Whenever the President shall modify or cancel any such contract, he shall determine just compensation therefor; and if the amount thereof, so determined by the President, is unsatisfactory to the individual, firm, or corporation entitled to receive the same, such individual, firm, or corporation shall be entitled to receive such portion thereof as the President shall determine and shall be entitled to sue the United States to recover such further sum as, added to said portion so received, will make up such amount as

will be just compensation therefor, in the manner provided for by paragraph 20 of section 41 and section 250 of title 28 of the United States Code: *Provided*, That where any such contract makes provision for settlement in the event of modification or cancellation, the amount of just compensation as determined hereunder shall not exceed such amount as is authorized by said contract. Any appropriation out of which payments upon the said contract were authorized to be made is hereby made available for the payment of such just compensation.

Mr. McKELLAR. Mr. President, this is an amendment which I hope will be rejected. I desire to say that the amendment striking out the House provision—

Mr. BYRNES. Mr. President, I know that this amendment relates to a controversial matter, and I suggest that it be passed over.

Mr. McKELLAR. I am perfectly willing to have it passed over.

The PRESIDING OFFICER. By unanimous consent this amendment will be passed over for consideration at a later date. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment was, on page 54, line 20, after the letters "U.S.C.", to insert "supp. VI", and in line 23, after the word "is", to insert "voluntarily or", so as to read:

SEC. 6. (a) Whenever at any time hereinafter prior to July 1, 1935, any employee of the United States or the District of Columbia to whom the Civil Service Retirement Act, approved May 29, 1930 (U.S.C., supp. VI, title 5, chap. 14), applies, who has an aggregate period of service of at least 30 years computed as prescribed in section 5 of such act, is voluntarily or involuntarily separated from the service for reasons other than his misconduct, such employee shall be entitled to an annuity computed as provided in section 4 of such act payable from the Civil Service retirement and disability fund less a sum equal to 3½ percent of such annuity.

The amendment was agreed to.

The next amendment was, on page 55, after line 16, to strike out:

(b) In making reductions of personnel due regard shall be given to the apportionment of appointments as provided in the Civil Service Act.

And in lieu thereof to insert:

(b) Reductions of personnel shall be made with regard both to efficiency and to apportionment of appointments by States as now provided by law.

Mr. BLACK. Mr. President, I desire to ask if it is in order to offer an amendment to the amendment proposed by the committee.

The PRESIDING OFFICER. It is in order.

Mr. BLACK. I send to the desk an amendment to the amendment proposed by the committee.

The PRESIDING OFFICER. The Senator from Alabama offers an amendment to the committee amendment, which will be stated.

The LEGISLATIVE CLERK. On page 55, line 22, it is proposed to amend by striking out the period, substituting a comma, and adding the following:

But when new appointments are made hereafter under Civil Service regulations, and there are persons on the eligible list who are residents of States which at the time are below the quota of Civil Service appointments allotted such States by law, preference in selection and appointment shall be given to those eligible persons who are residents of the State containing the least percentage of its Civil Service quota.

Mr. BLACK. Mr. President, I desire to say—

Mr. BYRNES. Mr. President, I have no objection to that amendment.

Mr. BLACK. The Senator has no objection to it?

Mr. BYRNES. No.

Mr. BLACK. Very well.

Mr. McNARY. Mr. President, a number of Senators have left the Chamber to attend matters in their offices, with the understanding that there would be no business transacted excepting committee amendments. I suggest that the amendment of the Senator from Alabama go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will be permitted to go over until tomorrow for consideration at that time, and the committee amendment will also go over. The clerk will report the next amendment.

The legislative clerk proceeded to read the amendment on page 58, to strike out lines 8 to 15, inclusive.

Mr. McKELLAR. Mr. President, does the amendment of the Senator from Alabama apply to the whole committee amendment on pages 55 and 56? Why cannot the remainder of the amendment to which the amendment of the Senator from Alabama does not apply be agreed to?

Mr. BYRNES. Mr. President, subdivision (c) is not involved in any way in the amendment offered by the Senator from Alabama. It has reference only to a situation existing in the Canal Zone, and it is necessary to make the provision contained in subdivision (c).

The PRESIDING OFFICER. Without objection, if it be the desire of the Senate, the clerk will report subdivision (c) of the amendment, and the Senate will consider it at this time.

The LEGISLATIVE CLERK. On page 55, line 23, the committee proposes to insert the following:

(c) Whenever at any time hereafter prior to July 1, 1935, any person to whom the Canal Zone Retirement Act, approved March 2, 1931 (Public, No. 781, 71st Cong.), applies, who has an aggregate period of service of at least 30 years computed as prescribed in section 7 of such act, is voluntarily or involuntarily separated from the service for reasons other than his misconduct, such employee shall be entitled to an annuity computed as provided in section 6 of such act payable from the Canal Zone retirement and disability fund less a sum equal to 5 percent of such annuity: *Provided*, That when an annuitant hereunder attains the age at which he would have been entitled to retirement with annuity computed as provided in section 6 of such act, such deduction from the annuity shall cease. If and when any such annuitant shall be reemployed in the service of the District of Columbia or the United States (including any corporation the majority of the stock of which is owned by the United States), the right to the annuity provided by this section shall cease and the subsequent annuity rights of such person shall be determined in accordance with the applicable provisions of retirement law existing at the time of the subsequent separation of such person from the service.

The PRESIDING OFFICER. The question is on agreeing to subdivision (c) as reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 58, after line 7, to strike out:

SEC. 11. The President is authorized, in his discretion, to suspend the extra pay or reduce the rate of extra pay allowed to commissioned officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty, and to distinguish between degrees of hazard in various types of flying duty and make different rates of extra pay applicable thereto: *Provided*, That no such rate shall be in excess of \$1,440 per annum.

And in lieu thereof to insert:

SEC. 9. That under the provisions of section 20 of the act approved June 10, 1922, as amended (U.S.C., title 37, sec. 29), no additional compensation shall be allowable or paid to any person in the Army, Navy, or Marine Corps, or Army Reserve Corps, or National Guard, or the Naval Reserve, or Marine Corps Reserve, or the Coast Guard, in consequence of such statute as amended at a rate per annum in excess of that now paid to any lieutenant colonel in the Army, or to any commander in the Navy, or to any lieutenant colonel in the Marine Corps, or to any commander in the Coast Guard.

Mr. BYRNES. I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. Is the amendment to the committee amendment?

Mr. BYRNES. It is an amendment to the committee amendment.

The PRESIDING OFFICER. The Senator from South Carolina offers a perfecting amendment, which the clerk will report.

The LEGISLATIVE CLERK. In the amendment of the committee, on page 58, it is proposed to strike out all the matter inserted by said amendment after the word "of", in line 23, and to insert in lieu thereof the following:

The maximum prescribed for a lieutenant colonel in the Army.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BYRNES. By direction of the committee, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 59, line 13, after the words "United States", it is proposed to insert a comma and the words "including the Philippine Islands."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Without objection, the clerk will be authorized to renumber the sections.

Mr. ROBINSON of Arkansas. Mr. President, I offer an amendment and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. BYRNES. I desire to offer another amendment.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment, which the clerk will report.

The LEGISLATIVE CLERK. On page 58, it is proposed to strike out section 8, as follows:

SEC. 8. The President is authorized to place on furlough such officers of the Army, Marine Corps, Public Health Service, Coast Guard, or Coast and Geodetic Survey, as he, in his discretion, shall deem desirable. While on furlough, officers shall receive one half the pay to which they would otherwise have been entitled, but shall not be entitled to any allowance except for travel to their homes.

Mr. BYRNES. Mr. President, I will say that this section relates to furloughs of officers which was discussed in the committee, and by agreement I was to ascertain the situation. After investigation I offer the amendment, which I send to the desk.

Mr. McCARRAN. Mr. President, are the amendments the Senator is offering the ones which were adopted by the committee?

Mr. BYRNES. All except the last one as to which, as I stated, I was to make an investigation. I think the Senator was one who advised that such an investigation be made, and as the result of that investigation I have offered the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRNES. That completes the committee amendments. I now desire to present notice of a motion to suspend the rule as to certain amendments which I desire to offer.

The PRESIDING OFFICER. The Senator from South Carolina enters a motion to suspend the rules, which the clerk will read.

The legislative clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H.R. 5389), the independent offices appropriation bill, the following amendments, viz.:

At the proper place to insert the following:

On page 59, in line 10, after the word "discharge", strike out the period, insert a colon, and add the following:

"Provided, however, That one half of 1 year's sea pay, as heretofore provided by law, shall be paid to each of said surplus of graduates who shall graduate in the class of 1933 who do not receive an appointment."

On page 61, add a new section after line 6:

"Sec. 16. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled 'An act to provide for the classification of civilian positions within the District of Columbia and in the field services'', as amended by the act of July 3, 1930, be further amended by adding thereto the following:

"Provided, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be continued so long as the position is held by the incumbent occupying it at the time of such allocation."

On page 61, after line 6, to insert the following:

"Sec. 15. (a) There shall be in the Department of Justice an Assistant Solicitor General to assist the Solicitor General in the

performance of his duties, who shall be appointed by the President by and with the advice and consent of the Senate. Said Assistant Solicitor General shall be allocated to the same classification grade and be paid the same rate of compensation as apply to Assistant Attorneys General and shall perform such additional duties as may be required of him by the Attorney General. (b) One of the existing positions of Assistant Attorney General is hereby abolished."

On page 49, after line 19, to insert the following:

"The unexpended balance of the appropriation 'Fourteenth Annual Convention of French Veterans of the World War, Washington, D.C., 1933' is hereby made available for reimbursement to the Veterans' Administration for all expenses (including transportation to bona-fide residence) incurred in connection with indigent veterans in attendance at the convention of the rank and file organization of World War veterans held in Washington, D.C., during the month of May 1933, and the decision of the Administrator of Veterans' Affairs in connection with such expenditures shall be final and conclusive."

On page 48, after line 24, to insert the following:

"That the Attorney General of the United States is hereby authorized to agree to a judgment to be rendered by the presiding judge of the United States court having jurisdiction of the case, pursuant to compromise approved by the Attorney General upon the recommendation of the United States attorney charged with the defense, upon such terms and for such sums within the amount claimed to be payable, in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments in accordance with any such judgment: *Provided*, That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing officers of the Veterans' Administration for all payments of insurance made in accordance with any such judgment: *Provided further*, That all such judgments shall constitute final settlement of the claim and no appeal therefrom shall be authorized."

Mr. TYDINGS. Mr. President, I hold in my hand an amendment which I have discussed heretofore today, designed to take care of a very limited number of ex-service men who were injured in line of duty; but because they were injured not within a war period they were denied hospital treatment and domiciliary care. Inasmuch as the Senator in charge of the bill has agreed to the amendment, and there are only a few soldiers who would receive these benefits anyhow, I ask that the amendment may be considered and adopted at this time. There is no objection to it anywhere that I know of.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment offered by the Senator from Maryland?

Mr. JOHNSON. Mr. President, there are various amendments which are ready to be offered at the present time. I have an amendment of similar sort to which there is no objection, which I should like to present; and I think the amendment of the Senator from Maryland ought to go over with the other amendments.

Mr. TYDINGS. Then, Mr. President, I serve notice, under the rule, that I desire to bring up the amendment as legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair suggests to the Senator from Maryland that he will have to serve that notice in writing.

Mr. TRAMMELL. Mr. President, I send to the desk an amendment to be printed and lie on the table, to be taken up tomorrow.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. NORRIS. Mr. President, I desire to submit a unanimous-consent request. I suppose we are soon to go into executive session and to adjourn or recess, and it will therefore be a physical impossibility for the Senator from Maryland to prepare his notice and serve it. I therefore ask unanimous consent that the notice as served from the floor by the Senator from Maryland be considered sufficient notice.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, I wish the Senator would modify his request. I presume there are a great many amendments to be offered to the bill. Why could we not suspend the rule and make all pertinent amendments in order?

Mr. BYRNES. Mr. President—

Mr. JOHNSON. I think that is a very wise suggestion. Let us consider the rules suspended as to the amendments which have been presented today, so that we will not have to take up each amendment under a suspension of the rules.

Mr. BYRNES. Mr. President, I should have to object to that.

The PRESIDING OFFICER. The Senator from Maryland submits a notice, which will be read.

The legislative clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H.R. 5389), the independent offices appropriation bill, the following amendment, viz:

On page 47, line 10, after the word "amended", to insert the following:

"Provided further, That in addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries."

Mr. TYDINGS. Mr. President, I desire to take this opportunity to thank the Senator from Nebraska for his courtesy.

FOREIGN DEBTS—ARTICLE BY HON. WALTER E. EDGE

Mr. KEAN. Mr. President, I ask unanimous consent to have published in the RECORD an article by Hon. Walter E. Edge, former American Ambassador to France, appearing in the New York Herald Tribune of Sunday, May 28, 1933, relative to the foreign debts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[New York Herald Tribune, Sunday, May 28, 1933]

EDGE URGES BROAD POWERS FOR PRESIDENT ON WAR DEBTS—FORMER AMBASSADOR TO FRANCE ADVOCATES WIDER LATITUDE IF SETTLEMENT IS TO BE NEGOTIATED, BUT OPPOSES SIMILAR GRANT FOR LOWERING OF TARIFF

By Walter E. Edge, former American Ambassador to France

A review of the status of international relations and problems at the moment presents a situation somewhat akin to the calm before the storm. Private and semiprivate conversations between rulers and premiers, apparently covering a multitude of questions, have taken place and in an atmosphere of friendliness.

Reports have been made to home governments, public statements have been promulgated, and somewhat confused reactions have followed.

A very limited time remains before very definite action must be taken in at least two of these world problems—that is, the American war-debt payment, due June 15, and limitation of armaments.

Preparation for the world's economic conference in London, opening June 12, is greatly overshadowed by the feeling that the involved war debts and the uncertainty at Geneva present a barrier and impasse which cloud all other international problems. Unless this situation is relieved, it must have a very deterrent effect and influence on the London deliberations.

Of all these confused international situations a final adjustment or disposition of the war debts would seem, under the circumstances, to demand first attention or, at least, run parallel with disarmament efforts. I am assuming that even the most determined American war debt collector realizes that some revisions must be made. In fact, viewing the problem frankly, while there can be no question of the legality and validity of the existing debt contracts, nevertheless, world conditions that have developed since they were negotiated justify some reconsideration even in our own interest. Proceeding on that premise I am convinced that there is only one practical policy to pursue to bring about a definite or lasting settlement. That goal cannot be reached through discussions at a general economic conference. Likewise, it would be very difficult to conclude any adjustment through the ordinary diplomatic channels unless much greater authority and latitude are delegated than has been the policy in the past.

Everyone must realize at the present moment the unsettled status of these obligations entirely apart from who is right or who is wrong and the unfortunate influence this situation exerts. With the debtors squaring off on one side and we on the other, material headway on any of the other multitudinous monetary, commercial, and even disarmament problems is likewise threatened. The longer the real coming to grips is postponed the more difficult will be the solution, with the cash value of the debts decreasing accordingly, and it must never be forgotten that American public opinion demands substantial recompense.

In the meantime all that can be accomplished probably is further tariff truces or economic armistices like that recently initiated by the eight powers in London, which simply postpones the evil day and only provides a partial status quo, generally to the disadvantage of the United States, and that without settling anything.

I am convinced that the first move necessary to a final adjustment of the war debts is to delegate to the President of the United States very broad powers. Congress has given him unprecedented authority in connection with domestic problems. It would seem to be much more in harmony with precedent if he, or someone delegated by him, were given greater latitude in negotiating debt settlements. Under the Constitution the President already has initiatory power in foreign relations. The theory underlying this policy has presumably been that with domestic questions, differences of opinion naturally developing, they should be disposed of through congressional representation and action. On the other hand, in dealing with foreign nations, the country proceeds as a unit represented in the initial stages at least by the President of all the people.

In my judgment, in the matter of the debts, he should have even more power than the initiation the Constitution provides; that is, if we wish to make real settlements. I do not believe, however, that he should be given the right to reduce American tariffs for trading purposes, particularly if such power resulted in removing protection from one American producer at the expense of another; but I am convinced that he should be given broad jurisdiction to modify the principal and interest of the debts, along the lines of bulk settlements or otherwise, in order to be in a position to conclude final agreements.

We can well afford to accept such settlements if sufficient quid pro quos are secured. It must always be borne in mind that an adjustment of the war debts will greatly influence the settlement of many other international problems, while, conversely, a failure to do so will obstruct all final decisions.

If not already clothed with the necessary jurisdiction, and in order to effectively negotiate, he should likewise be empowered to demand the abolition on the part of debtor nations of particularly aggravating trade restrictions like embargoes and existing discriminations in part return for concessions on the debts. This consideration should in no conceivable way justify the removal of proper tariff protection to our producers. These details belong in the same category. To confuse debt adjustment with disarmament presents greater difficulties because of the political situations involved, although it will always be most difficult to dissociate the two problems in the American mind. Our people, very naturally, will continue to condemn excessive armament expenditures if debt reductions are ever to be sanctioned.

However, there is hardly one of the debtor nations that hasn't in recent months either raised tariff duties, proclaimed embargoes on imports through reduced quotas, or concluded commercial treaties with other nations, giving them distinct trade advantages not enjoyed by the United States.

A careful record of these discriminations should be prepared, applying to every debtor, and then authority given to one man to sit at the table with someone representing the debtor nation likewise authorized to reach a final conclusion which, in the light of present-day conditions, would appeal to the world as fair to both sides. I repeat, this cannot be accomplished at the general economic conference. It is, of course, anyone's guess; but I am of the opinion that if a properly delegated arbitrator, with this authority, presented such an inclusive and completed proposal to Congress it would receive public approval. Anyhow, as the matter now stands, we have the prospect of receiving nothing except international repudiation as well as a continuation of insurmountable trade restrictions.

Why beg the issue? Until and unless this situation is adjusted and the irritation removed, we cannot expect real international comity and understanding.

THE ECONOMIC CONFERENCE—SPEECH BY JAMES ROOSEVELT OVER THE NATIONAL RADIO CHAIN

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by James Roosevelt over the national radio chain on the subject of the Economic Conference.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Good evening, ladies and gentlemen, the past week in Washington has been full of events which have occupied the attention not only of the people of the United States but the people of the whole world. We have all come to realize that although we must primarily set our own house in order and tackle first our national problems, nevertheless we must not forget that a large portion of our trade and prosperity comes through happy relations with the rest of the nations.

Not just America but practically every continent has been in a depression. An economic conference of the nations is going to meet this summer to reach definite agreements as to ways and means to get rid of the obstacles to a more happy world trade. Those of you who have been in a large discussion group know how difficult it is to reach an agreement among approximately 70 different personalities, even when they all think the same language and live in the same community. Naturally the problem is far greater when 70 people representing as many nations, many of them unable to talk to each other, try to sit down and reach some

sort of harmony. But the best way to get results is to have as many of the nations as possible understand each other's point of view beforehand, and so the President of the United States invited the governments of these countries to confer with him on an interchange of ideas so that the work of the later conference might be settled in a quicker and more understanding manner.

During the past week two of the leaders of the nations whose views will be of vast importance in these economic conferences have come to Washington, and they were joined yesterday by the leader of our neighbor to the north, the Dominion of Canada.

These meetings have been held purposely in a friendly and informal atmosphere. They began last Friday when the Prime Minister of England, Ramsay MacDonald, and his daughter, Ishbel, reached Washington. Perhaps I can give you best the picture of the friendly feeling which immediately began by describing their arrival. At the Union Station they were met by the Secretary of State, Cordell Hull, the military and naval aides, and other officials of the Government, all in their full dress formal attire, as a mark of respect to Mr. MacDonald's official position and to the nation which he represents. Arriving at the White House, however, the procedure was quite unusual. If you were having guests at your home for the week-end you would try to greet them at the front door and make them feel thoroughly at home as soon as possible; and so the President came out on the front porch, accompanied by my mother, sister, and the rather boisterous dogs, and there greeted the Prime Minister and Miss Ishbel MacDonald into the family circle just as it would be done in any other American home.

All the arrangements for the official visits are, of course, made through the State Department by Mr. Warren Robbins, whose official title "chef de protocol" simply means "general manager of diplomatic procedure." Incidentally, this means that Mr. Robbins is quite the busiest man in Washington, endeavoring to answer at least four telephones at once and to talk in as many languages while making the arrangements for all the guests who are coming to Washington.

In a similar spirit Monsieur Herriot of France, and Mr. Bennett of Canada have been welcomed to the White House with a feeling that they can best understand the American point of view by living in an American atmosphere. Monsieur Herriot is, of course, the only one of the three who does not speak English as his native tongue, but luckily both the President and my mother are able to speak French well enough to make him feel quite at home and enjoy his excellent French stories. There have been formal dinners for Prime Minister MacDonald and Monsieur Herriot at which the entire delegations with these gentlemen have been honored. But I believe that the spirit of the whole series of conferences is the result more of the informal luncheons and dinners which have taken place in the small dining room at the White House.

Here the President and the members of his family, Colonel Howe, and a few guests sit around in a gay spirit of conversation. It is quite interesting to hear the Prime Minister refer to his patronage difficulties, which are not unlike those which occur whenever we have a change of administration in this country; but instead of simply giving out postmasterships and other positions of that kind, Mr. MacDonald is charged with the creating of lords and knights, in what is known as the "King's honors list." I think that both Mr. MacDonald and Monsieur Herriot were perhaps most interested in seeing the rapidity with which the motion-picture companies developed the news reel of their ocean trip and landing, which were shown last Tuesday evening, together with pictures of present American life, such as the work in the new reforestation camps. I personally wondered whether Monsieur Herriot really enjoyed the Mickey Mouse film, which was also shown after dinner, as much as my father does.

The conferences which these gentlemen have held have nearly all taken place in the oval study on the second floor of the White House proper, except for last Sunday's trip on the *Sequoia*, down the Potomac River. And incidentally, the atmosphere of that day, warm and sunny, going slowly past the green banks and fields of the Maryland and Virginia shores, past beautiful and stately Mount Vernon, could not help but give those in conference a feeling of how good it would be to see all nations with the possibility of war forever banned from disturbing such peaceful scenes.

Very briefly, what are the main problems which the world must settle to take new steps forward? First, the necessity for increasing the general level of commodity prices and a moderation in the network of restrictions, such as excessive tariffs which hamper international commerce. It is a complicated subject with naturally each nation having to look after its standard of living and its own industries.

The complications involved were brought home pretty strikingly by the visit on Monday afternoon, while one of the conferences was in session, of the group of sea captains from Gloucester, Mass., who arrived for a visit at the White House and for a talk on the problems of the fishing industry. That reminds me of the little incident which happened as the captains were about to leave. They had left in the lower hall of the White House their hats and coats on the large rack and they made quite a number. As they began to take them up on going out, Mr. Ike Hoover, the chief usher, came rushing forward to one of his assistants saying, "Good Lord! Look out for the Prime Minister's hat," and I am still wondering if perhaps one of the captains doesn't have in his possession rather a good prize.

The second problem which it is agreed must be solved is to provide for an adequate expansion of credit and the creation of conditions favorable to business recovery so that the governments

of the world can contribute toward getting idle money out of banks and thus develop proper programs for capital expenditure. It is suggested that central banks by concerted action may be of considerable help in accomplishing this end.

Thirdly, and in line with the other two, it is agreed that an international monetary standard must be reestablished. In other words, that trade should be a matter of fair competition and not open to the fluctuations of exchange value, such as the dollar and the English pound, or the dollar and the money of any other country.

To show you the importance of stabilizing foreign exchange, let me give you a simple example. Suppose a school teacher was traveling in France for the summer and had saved \$500 for the trip. Out of that sum she hoped to spend \$100 on French goods; presents to bring back to her family. Let us assume that France is securely tied to the gold standard and that the United States should go off the gold standard. A violent fluctuation or difference in exchange would then occur. Now, if this happened in the middle of her trip abroad when she had only \$200 left for her expenses and ticket home, she would suddenly find herself in a very uncomfortable position, because if there was a 50 percent drop in the value of the dollar in relation to the French franc, this school teacher would probably have to walk home or at least get somebody to give her a free ride, because her \$200 would then be worth in francs only \$100 on this assumed exchange value.

Of course, this illustration is exaggerated but it will give you an example of how such differences disturb trade, especially when applied to a manufacturer depending on imports from France, or a manufacturer exporting goods to that country. He always has before him an unstable outlook and naturally he is hesitant to invest his money and employ people on as wide a scale as he would normally do if the dollar and other foreign currencies were absolutely stabilized.

Last, but not least, the disarmament or peace question has been thoroughly discussed and I think it fair to say that as a result of these conferences both the leaders of the French and English understand more clearly that we in America do not wish to be embroiled in European disputes, but do look forward to doing our fair share in working out an agreement which will lessen to the greatest possible degree such disputes, not only European but between all other nations of the world.

These four problems have been fully discussed and the interchange of ideas has brought to all the parties concerned a higher mutual respect between the nations. The groundwork has been laid for results at the economic conference in London in June, which all firmly believe will produce more healthy industrial conditions and greater employment for all wage earners.

It is particularly fortunate that the gentlemen representing these foreign nations have come to this country at a time when our Congress is in session. They are having not only an opportunity to understand our point of view, but to understand also the workings of our Government, and to see that Americans are not greedy but are essentially a peace-loving people who are anxious to talk in plain and simple language, without frills and fuss, but directly and honestly to the point. In the same way we have had an opportunity to understand their problems and as a result we may look forward to perhaps the first (most) successful world conference ever held.

And so, as I leave you, may I express my appreciation to the Columbia Broadcasting System for this opportunity of talking with so many of you. I shall look forward to being again with my New England friends at our regular 8:30 time next Thursday. Good night and good luck to you all.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORT OF A COMMITTEE

The PRESIDING OFFICER. Reports of committees are in order.

Mr. ROBINSON of Arkansas, from the Committee on Foreign Relations, reported favorably the nomination of Alexander W. Weddell, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

THE CALENDAR

The PRESIDING OFFICER. Are there further reports of committees? If not, the calendar is in order.

THE ARMY—ORDER OF EXECUTIVE BUSINESS

The Chief Clerk read the nomination of James Fuller McKinley to be Adjutant General in the Regular Army.

Mr. TYDINGS. Mr. President, I do not desire to say anything more about this nomination. I have already discussed it; but I hope Senators will cooperate with me in eliminating further discussion and give me a roll call on the nomination. That is all I ask for.

Mr. ROBINSON of Arkansas. Mr. President, a number of Senators requested me, inasmuch as they would be absent, to ask that this nomination go over. I make that request with no purpose of delaying action on the nomination, of course, but anticipating that it might require prolonged consideration.

Mr. McNARY. Mr. President, may I ask the Senator from Arkansas whether we could not agree on a time when a vote could be taken on the nomination?

Mr. ROBINSON of Arkansas. I shall be very glad to have the vote taken at the next executive session, if that is satisfactory to Senators; and we probably will have an executive session tomorrow.

Mr. McNARY. I think a date should be definitely agreed on, so that Senators may be apprised of the time. Could we not go into executive session at 5 o'clock tomorrow?

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that tomorrow, at not later than 6 o'clock, or at the conclusion of the consideration of the unfinished business, the Senate proceed to the consideration of executive business, and proceed to vote on the nomination of Gen. James F. McKinley to be The Adjutant General.

Mr. McNARY. Mr. President, before action is taken I might refer to another matter, the nomination of Mr. Guy T. Helvering to be Commissioner of Internal Revenue.

A minority report on that nomination has been made by the able senior Senator from Delaware [Mr. HASTINGS]. After tomorrow the Senator from Delaware will be compelled to be absent from the Senate on public business. I wondered whether it would be agreeable to Senators if on tomorrow, Wednesday, we should proceed to that consideration of that nomination.

Mr. ROBINSON of Arkansas. Mr. President, in the absence of the Chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON], I see that the Senator from Kentucky is present, and I yield to him for any statement he desires to make.

Mr. BARKLEY. Mr. President, so far as I am concerned, I know of no reason why we cannot take up the nomination tomorrow.

Mr. ROBINSON of Arkansas. I have no objection.

Mr. McNARY. That being the case, can we not come to an agreement as to the hour when we shall enter into executive session? There probably will be quite a little discussion on the subject.

Mr. ROBINSON of Arkansas. I should not be willing to move an executive session until the pending bill is disposed of. It may be disposed of early in the day.

Mr. McNARY. The only reason why I make the request is the necessity on the part of the Senator from Delaware to be absent. I feel that if we work on the unfinished business from 10 o'clock in the morning until 3 tomorrow afternoon, thereby avoiding the necessity for an evening session, and enter into executive session at about 3 o'clock and take up these two matters, we can dispose of them during the afternoon.

Mr. ROBINSON of Arkansas. Mr. President, I shall be willing to enter into that arrangement, with the understanding that if the unfinished business is not completed prior to 3 o'clock we may resume legislative session following the executive session.

Mr. McNARY. That is satisfactory.

Mr. COUZENS. Mr. President, is this a request for unanimous consent?

Mr. McNARY. Yes.

Mr. COUZENS. I shall have to object to that, because the nomination of Mr. Helvering cannot be disposed of in 2 or 3 hours tomorrow.

Mr. McNARY. In suggesting the unanimous-consent agreement, I am sure there was no purpose on the part of the Senator from Arkansas—certainly there was not on my part—to specify when the executive session should terminate; but the idea was to fix a time for taking up the

matter. Of course we should have to go through to the conclusion, even if the matter went over to the next day.

Mr. COUZENS. May I ask how long the Senator from Delaware is to be absent?

Mr. McNARY. For the remainder of the week.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Senate take a recess until 10 o'clock tomorrow, and that at not later than 4 o'clock tomorrow the Senate proceed to the consideration of executive business.

Mr. McKELLAR. The Senator does not mean for us to take a recess now?

Mr. ROBINSON of Arkansas. I ask that when the Senate concludes its business today it take a recess until 10 o'clock tomorrow, and that at not later than 4 o'clock tomorrow the Senate proceed to the consideration of executive business. That is what I intended to say. I did not intend to foreclose the opportunity of confirming the nominations on the calendar to which there is no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. LONG. Mr. President, that is that we take a recess today until 10 o'clock tomorrow?

The PRESIDING OFFICER. That is correct.

Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the next nomination on the calendar be laid before the Senate.

DEPARTMENT OF THE TREASURY

The Chief Clerk read the nomination of Stephen B. Gibbons, of New York, to be Assistant Secretary of the Treasury.

Mr. COUZENS. Mr. President, Mr. Gibbons' name was reported out of the Committee on Finance at a time when I was absent. Later on, I received a letter from the junior Senator from California [Mr. McAdoo], which read in part as follows:

I enclose a memorandum about Stephen B. Gibbons, who has been reported favorably as an Assistant Secretary of the Treasury. Senator Harrison asked me if I would give you some information about it. He is an unusually capable, honest, and loyal citizen.

I send this memorandum to the desk, and ask that the clerk read it.

The PRESIDING OFFICER. Without objection, the clerk will read the memorandum.

The legislative clerk read as follows:

Stephen B. Gibbons, born Pennsylvania; resident of New York City for the past 28 years.

From 1900 to 1912, followed a commercial career, during the major portion of which time he was secretary to the treasurer of a large trans-Atlantic steamship corporation. In 1912 he became private secretary to the Honorable W. G. McAdoo, who as vice chairman of the National Democratic Campaign Committee managed Woodrow Wilson's campaign for President that year. This appointment had not the slightest political significance but was made strictly on merit.

For the next 2½ years he was employed by the board of estimate and apportionment of New York City in reclassifying and regrading titles, salaries, etc., of the civil-service employees of that municipality. As in the case of his appointment by Mr. McAdoo, this appointment was made without political consideration by the Honorable Charles A. Hervey, then deputy comptroller of the city of New York, on the personal recommendation of Mr. Julian Beatty, at that time secretary to the Honorable George McAmehy, president of the Borough of Manhattan.

During the 1916 New York gubernatorial campaign he acted as one of Judge Seabury's secretaries, accompanying him on his tour of the State. From 1916 to 1926, inclusive, he was an income-tax examiner for the Bureau of Internal Revenue in New York City. He resigned, and from 1926 to 1932, inclusive, has been engaged in the general practice of accounting and tax consultant in New York City. He has never practiced before the Bureau of Internal Revenue and has never applied for a license to do so.

Mr. COUZENS. Mr. President, I desire to say in addition that several stories came to me that Mr. Gibbons at one time was associated with Secretary of the Treasury Woodin. By arrangement with the chairman of the Finance Committee, I met Mr. Gibbons, and he told me that the only connection he had ever had with Mr. Woodin was on several occasions when he had been called in to prepare his income-tax return.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination? Without objection, the nomination is confirmed.

TENNESSEE VALLEY AUTHORITY

The Chief Clerk read the nomination of Arthur E. Morgan, of Ohio, to be a member of the board of directors of the Tennessee Valley Authority for the term expiring 9 years after May 18, 1933.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ASSISTANT SECRETARY OF THE TREASURY

The Chief Clerk read the nomination of Thomas Hewes, of Connecticut, to be Assistant Secretary of the Treasury.

Mr. COUZENS. Mr. President, Mr. Hewes' name was reported from the Senate Committee on Finance when I was attending one of the sessions of the committee holding the Morgan investigation. Afterward I saw the chairman of the Finance Committee, and he said he would arrange through the junior Senator from Connecticut [Mr. LONERGAN] to have Mr. Hewes appear before the committee to be examined as to his prior connections. The junior Senator from Connecticut submitted a memorandum giving the history of Mr. Hewes, and said that later he would furnish me with a list of clients Mr. Hewes had had before the Bureau of Internal Revenue during the last 3 or 4 years. As the junior Senator from Connecticut is not here, I ask that the nomination go over until that list is furnished.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

COMMISSIONER OF INTERNAL REVENUE

The chief clerk read the nomination of Guy T. Helvering, of Kansas, to be Commissioner of Internal Revenue.

Mr. LONG. Mr. President, I understand the Senator from Delaware [Mr. HASTINGS] is to be absent after tomorrow. I understood the Senator from Oregon [Mr. McNARY] to state that the reason for taking up the Helvering nomination was that the Senator from Delaware would not be here tomorrow.

Mr. HASTINGS. I expect to be away after tomorrow or the next day.

Mr. LONG. I suggest that we consider the Helvering nomination first tomorrow when we take up the Executive Calendar.

Mr. McKELLAR. Mr. President, I see no reason for doing that.

Mr. LONG. We want to get through with it.

Mr. McKELLAR. But the other nominations preceding it will not take a great while.

The PRESIDING OFFICER. The nomination will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of Richard Curd Pope Thomas, of Kentucky, to be district judge of the Canal Zone.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Thomas Collins, of Missouri, to be clerk of the United States Court for China.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

The Senate resumed legislative session.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, in accordance with the order heretofore entered I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 25 minutes p.m.) the Senate, under the order previously entered, took a recess until tomorrow, Wednesday, May 31, 1933, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 30 (legislative day of May 29), 1933

ASSISTANT SECRETARY OF THE TREASURY

Stephen B. Gibbons to be Assistant Secretary of the Treasury.

DISTRICT JUDGE OF THE CANAL ZONE

Richard Curd Pope Thomas to be district judge of the Canal Zone.

MEMBER, BOARD OF DIRECTORS, TENNESSEE VALLEY AUTHORITY

Arthur E. Morgan to be member, board of directors, Tennessee Valley Authority.

CLERK OF THE UNITED STATES COURT FOR CHINA

William Thomas Collins to be clerk of the United States Court for China.

SENATE

WEDNESDAY, MAY 31, 1933

(Legislative day of Monday, May 29, 1933)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Gore	McGill
Austin	Caraway	Hatfield	Robinson, Ark.
Bachman	Coolidge	Johnson	Sheppard
Bratton	Erickson	Logan	Thomas, Utah
Brown	Fess	Loneragan	Thompson
Bulow	Frazier	McCarran	Walsh

Mr. FESS. I desire to announce that the senior Senator from Oregon [Mr. McNARY] is detained from the Senate this morning on official business. He will be in the Chamber later in the day.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Illinois [Mr. DIETERICH] is necessarily detained from the Senate.

I also wish to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily absent on official business.

I desire further to announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate on official business.

Mr. FESS. I desire also to announce that the Senator from Pennsylvania [Mr. REED], the Senator from Delaware [Mr. TOWNSEND], the Senator from Maryland [Mr. GOLDSBOROUGH], the senior Senator from Rhode Island [Mr. METCALF], the junior Senator from Rhode Island [Mr. HEBERT], the Senator from Oregon [Mr. STEIWER], the Senator from Connecticut [Mr. WALCOTT], and the Senator from New Hampshire [Mr. KEYES] are detained from the Chamber on official business.

The VICE PRESIDENT. Twenty-four Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BORAH, Mr. COPELAND, Mr. DICKINSON, Mr. HALE, Mr. McKELLAR, Mr. OVERTON, Mr. POPE, Mr. TRAMMELL, and Mr. VANDENBERG answered to their names when called.

The VICE PRESIDENT. Thirty-three Senators have answered to their names. There is not a quorum present.

Mr. ROBINSON of Arkansas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. BLACK, Mr. PATTERSON, Mr. STEPHENS, Mr. HASTINGS, Mr. WHITE, Mr. KING, Mr. RUSSELL, Mr. NORRIS, Mr. CAPPER,